

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.



LEGISLATIVE HISTORY

Public Law 458--78th Congress

Chapter 480--2d Session

S. 2051

TABLE OF CONTENTS

Digest of Public Law 458	1
Index and Summary of History on S. 2051	2

DIGEST OF PUBLIC LAW 458

WAR MOBILIZATION AND RECONVERSION ACT OF 1944. Establishes the Office of War Mobilization and Reconversion, to be headed by a Director, and makes the Office of Contract Settlement, the Surplus Property Board, and the Retraining and Reemployment Administration parts of this office. Creates an advisory board to advise with the Director and to include members who have had experience in business, labor, or agriculture. Creates a Retraining and Reemployment Administration to supervise and direct the activities of all executive agencies, except the Veterans' Administration, relating to retraining, reemployment, vocational education, and vocational rehabilitation. Provides for advances to State unemployment funds in certain cases. Authorizes the Federal Works Agency to make loans or advances to States and political subdivision to aid in financing investigations and other actions preliminary to the construction of public works. Provides for continuation of the orders of the Director of War Mobilization.

INDEX AND SUMMARY OF HISTORY OF S. 2051.

March 29, 1944 S. 1823 was introduced by Senator O'Mahoney and was referred to the Senate Committee on Military Affairs. Print of the bill as introduced.

April 26 - Hearings. Senate, S. 1730, S. 1823, S. 1893, S. 2061
Aug. 4, 1944 S. 1718, Pts. 1 - 16.

May 4, 1944 S. 1893 was introduced by Senator Kilgore and was referred to the Senate Committee on Military Affairs. Print of the bill as introduced.

August 1, 1944 S. 2051 was introduced by Senator George and was referred to the Senate Committee on Finance. Print of the bill as introduced.

August 3, 1944 Senate Committee reported S. 2051 with amendments. Senate Report 1035. Print of the bill as reported.

August 5, 1944 Senator Murray reported S. 2061 from the Senate Committee on Military Affairs. Senate Report 1036. Print of the bill as reported.

August 8, 1944 Senate began debate on S. 2051.

Senators Chavez, George, and Murray proposed amendments to S. 2051. Prints of the amendments.

Senate Report 1036, Pt. Minority views on S. 2061.

Senator Murray proposed an amendment to S. 2061. Print of the amendment.

August 9, 1944 Senators Murray and O'Mahoney proposed amendments to S. 2051. Prints of the amendments.

Debate continued on S. 2051.

August 10, 1944 Debate continued on S. 2051.

Senators Butler and Robertson proposed amendments to S. 2051. Prints of the amendments.

August 11, 1944 Senate debate concluded. S. 2051 passed with amendments.

August 14, 1944 S. 2051 was referred to the House Committee on Ways and Means. Print of the bill as referred.

August 24, 1944 House Committee reported S. 2051 with an amendment. House Report 1798. Print of the bill as reported.

August 28, 1944	House Rules Committee reported H. Res. 627 for the consideration of S. 2051. House Report 1800. Print of the Resolution.
August 29, 1944	House began debate on S. 2051.
August 30, 1944	House debate continued.
August 31, 1944	House debate concluded. S. 2051 passed House with amendments. House Conferees appointed.
September 1, 1944	Senate Conferees appointed. Print of S. 2051 with the amendment of the House. Remarks of Rep. W. J. Miller.
September 18, 1944	House discussed amendments in disagreement.
September 19, 1944	House received the Conference Report. House Report 1902. Senate agreed to the Conference Report.
September 20, 1944	House agreed to the Conference Report.
October 3, 1944	Approved. Public Law 458. Statement by the President on signing S. 2051.

1823

1824

1825



78TH CONGRESS
2D SESSION

S. 1823

IN THE SENATE OF THE UNITED STATES

MARCH 29 (legislative day, FEBRUARY 7), 1944

Mr. O'MAHONEY (for Mr. KILGORE) introduced the following bill; which was read twice and referred to the Committee on Military Affairs

A BILL

To establish an Office of War Mobilization and Adjustment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "War Mobilization and
4 Post-war Adjustment Act".

TITLE I

OFFICE OF WAR MOBILIZATION AND ADJUSTMENT

7 SEC. 101. The Congress hereby declares that the ob-
8 jectives of this Act are—

9 (a) to achieve the necessary war production which
10 is indispensable to the speediest victory through the
11 maximum mobilization and utilization of the Nation's
12 natural and industrial resources and of the manpower

1 not in the armed forces, and through the stabilization of
2 the civilian economy;

3 (b) to insure that the great momentum of the war
4 mobilization which is bringing victory to our arms will
5 not be lost, but will be reconverted into a peacetime
6 transition program providing for the fullest possible
7 production and employment in private industry in a
8 stabilized civilian economy;

9 (c) to provide for the development of a unified
10 program to secure the foregoing objectives, and the
11 necessary unification of the activities of the Federal
12 agencies engaged in or concerned with production, pro-
13 curement, distribution, or transportation of military or
14 civilian supplies, materials, and products; economic
15 stabilization; war production cut-backs; settlement of
16 claims under terminated war contracts; disposition of
17 surplus war property; resumption of civilian goods pro-
18 duction; demobilization of the members of the armed
19 forces; and the training and placement of returning
20 servicemen and war workers in peacetime industry and
21 agriculture.

22 SEC. 102. (a) There is hereby established the Office
23 of War Mobilization and Adjustment (hereinafter called the
24 Office) in the Executive Office of the President, at the
25 head of which shall be the Director of War Mobilization and

1 Adjustment. The Director shall be appointed by the Presi-
2 dent, by and with the advice and consent of the Senate, and
3 shall receive compensation at the rate of \$15,000 per annum.

4 (b) The Director may, without regard to the civil-
5 service laws, rules, and regulations, and the Classification
6 Act of 1923, as amended, and except as herein otherwise
7 provided, employ and fix the compensation of such officers
8 and employees, and may make such expenditures for sup-
9 plies, facilities, and services as may be necessary to carry
10 out the provisions of this Act.

11 SEC. 103. There is hereby created a National Produc-
12 tion-Employment Board (hereinafter in this section called
13 the Board) consisting of three representatives of industry,
14 three representatives of labor, and three representatives of
15 agriculture, who shall be appointed by the President, with-
16 out regard to any other provisions of law with respect to the
17 appointment and compensation of employees of the United
18 States. The Director, the Assistant Director, the Surplus
19 Property Administrator, the Work Administrator, and the
20 Chairman of the War Production Board shall meet with the
21 Board at least once a month and shall consult with it on the
22 basic policies and programs of the Office. The Board, and
23 each individual member thereof, shall have access to all in-
24 formation of the Office bearing on the effectiveness and ade-
25 quacy of its activities. The Board shall make to the Office

1 such recommendations relating to policy and operations as
2 it may deem necessary. The Board, and each member in-
3 dividually, shall endeavor to secure maximum cooperation
4 and participation of the American people in war mobilization
5 and post-war adjustment. The Office shall provide for the
6 Board an adequate permanent staff which shall serve under
7 the immediate supervision of the Board in providing clerical
8 and technical assistance.

9 SEC. 104. It shall be the function of the Director, sub-
10 ject to the direction and control of the President—

11 (a) to unify the programs and activities of Federal
12 agencies engaged in or concerned with production, pro-
13 curement, distribution, or transportation of military or
14 civilian supplies, materials, and products; economic
15 stabilization; war production cut-backs; settlement of
16 claims under terminated war contracts; disposition of
17 surplus war property; resumption of civilian goods pro-
18 duction; demobilization of the members of the armed
19 forces; and the training and placement of returning
20 servicemen and war workers in peacetime industry and
21 agriculture;

22 (b) to issue such directives on program, policy, and
23 operations to the Federal agencies as may be necessary
24 to carry out the programs developed and the policies
25 established by the Office under this Act. It shall be

1 the duty of all such agencies and departments to execute
2 such directives, and to supply such data and make such
3 progress reports to the Office as may be required.

4 SEC. 105. The Office may perform the functions, exer-
5 cise the powers, authority, and discretion conferred on it by
6 this Act through such officials and such agencies and in such
7 manner as the Director may determine.

8 TITLE II

9 WAR AND POST-WAR PROGRAMS

10 SEC. 201. There is hereby established in the Office
11 a Bureau of Programs, headed by the Assistant Director
12 of the Office, who shall be appointed by the President, by
13 and with the advice and consent of the Senate, and shall
14 receive compensation at the rate of \$12,000 per annum.

15 SEC. 202. The Bureau of Programs shall—

16 (a) review the programs of the several Federal
17 agencies which are subject to the direction of the Office
18 and shall recommend to the Director such modifications
19 as are deemed necessary to assure fulfillment of the
20 objectives of this Act;

21 (b) make periodic progress reports to the Director
22 which shall assess current performance on approved
23 programs;

24 (c) require Government agencies performing
25 functions under this Act to prepare such data and

1 reports as are necessary to permit the review of the
2 programs and the making of the progress reports
3 required in this section;

4 (d) survey continuously the necessity for such ad-
5 ditional programs or legislation as will facilitate maxi-
6 mum war mobilization and full production and employ-
7 ment in the post-war reconversion period. The surveys
8 shall include (without being limited thereto) programs
9 and measures for public works, housing, taxation, in-
10 dustrial and regional development, expansion of foreign
11 trade, social security, and the maintenance of com-
12 petitive enterprise;

13 (e) consult and cooperate with State and local
14 governments, industrial, labor, agricultural, and other
15 groups (national and local) concerning the fulfillment
16 of the objectives of the Act.

17 SEC. 203. The Office shall transmit to the Senate and
18 House of Representatives within three months after the
19 approval of this Act and thereafter at intervals not exceed-
20 ing three months a summary of the progress reports, pro-
21 gram reviews, surveys, and legislative and other recom-
22 mendations prepared by the Bureau.

23 TITLE III

24 WAR PRODUCTION CHANGES AND RECONVERSION

25 SEC. 301. Subject to the general supervision of the Office

1 of War Mobilization and Adjustment, the Chairman of the
2 War Production Board shall—

3 (a) review the military production programs of the
4 several Federal procurement agencies for the purpose of
5 coordinating such programs and synchronizing curtail-
6 ments with the resumption of civilian goods production;

7 (b) establish unified policies and programs for the
8 expansion, transfer, and curtailment of military produc-
9 tion and for the resumption of civilian production cover-
10 ing specific products, firms, industry segments, and
11 geographical areas;

12 (c) develop programs for the curtailment of mili-
13 tary production and industrial reconversion based upon
14 assumed military developments on stated dates.

15 SEC. 302. The Chairman of the War Production
16 Board or the official to whom he shall delegate the authority
17 and responsibilities set forth in section 301 shall advise and
18 consult with a Production Program and Reconversion Com-
19 mittee which shall consist of one representative each of
20 the following: War Department, Navy Department, Mari-
21 time Commission, Foreign Economic Administration, War
22 Manpower Commission, Smaller War Plants Corporation,
23 Office of Civilian Requirements, the Vice Chairmen for Labor
24 Production and Manpower Requirements, and such other

1 officials and representatives of Federal agencies as the Chair-
2 man of the War Production Board may appoint.

3 SEC. 303. In order to enable the War Production Board
4 effectively to discharge its responsibilities under this title,
5 each Federal procurement agency shall continuously survey
6 its material and product requirements and shall report to the
7 War Production Board as soon as practicable every projected
8 change in its procurement program, including the award of
9 new contracts and the modification, transfer, or termination
10 of contracts previously awarded. The procurement agencies
11 shall supply such other data as the War Production Board
12 shall require for the purpose of this section. The procure-
13 ment agencies shall maintain such records and make such
14 reports to the War Production Board as the Board may
15 require to appraise the compliance of the procurement
16 agencies with the programs and policies established by the
17 Board.

18 SEC. 304. In formulating programs and policies for
19 war production and reconversion, the War Production Board
20 and the Production Program and Reconversion Committee
21 shall, so far as practicable, give effect to the following
22 objectives:

23 (a) Necessary war production shall be maintained
24 without impairment or delay.

25 (b) Curtailments of war production shall be pro-

1 grammed so as to permit the utilization without delay of
2 the released manpower and facilities in the production of
3 other war products or civilian goods.

4 (c) Subject to the overriding requirements of war pro-
5 duction, fair consideration shall be given to the relative
6 competitive positions of the industrial segments, areas, and
7 concerns affected by curtailment and reconversion programs.
8 The small business contractor shall not be discriminated
9 against in the termination of contracts because of slightly
10 higher costs of production, nor shall small business concerns
11 be prevented from entering civilian goods production fields
12 which the War Production Board has allowed to resume,
13 if war contracts are not available to such concerns. Re-
14 sumption of civilian goods programs shall give particular
15 consideration to smaller business concerns, especially in those
16 fields which have been most adversely affected by the
17 necessities of war production.

18 SEC. 305. In order to carry out the purposes of this title,
19 the Chairman of the War Production Board shall consult
20 with joint advisory boards, fairly representative of industry,
21 large and small, and labor; and, wherever appropriate, of
22 agriculture, consumers, or other interested groups.

23 SEC. 306. The Chairman of the War Production Board
24 may establish special boards for the purpose of hearing

1 appeals from decisions of the War Production Board with
2 respect to production curtailment and reconversion on the
3 grounds of discrimination.

4 TITLE IV

5 SURPLUS WAR PROPERTY DISPOSITION

6 SEC. 401. The Congress hereby declares that the ob-
7 jective of this title is to facilitate the prompt and maximum
8 utilization of all surplus war properties in such manner and
9 under such conditions as will—

10 (a) aid maximum war production by providing for
11 the transfer of property which may be surplus in one
12 government agency to meet the requirements of other
13 war agencies;

14 (b) promote maximum production and maximum
15 employment of labor and of natural resources in every
16 section of the country;

17 (c) aid small business concerns to preserve and
18 strengthen their competitive position in an economy of
19 free enterprise;

20 (d) prevent undue dislocation of markets resulting
21 from uncontrolled dumping;

22 (e) utilize established trade channels and dis-
23 courage sales to speculators;

24 (f) promote the establishment of foreign markets
25 through programed exports of surplus property.

1 SEC. 402. There is hereby established in the Office of
2 War Mobilization, the Surplus War Property Administra-
3 tion (hereinafter referred to in this title as the "Administra-
4 tion"), the powers and functions of which shall be exercised,
5 subject to the general supervision of the Director, by a
6 Surplus War Property Administrator (hereinafter referred
7 to in this title as the "Administrator") with the advice and
8 assistance of a Surplus War Property Board (hereinafter
9 called in this title the "Board"). The Administrator shall
10 be appointed by the President, by and with the advice and
11 consent of the Senate, and shall receive compensation at the
12 rate of \$12,000 per annum. The Board shall be composed
13 of one representative each of the State Department, Treasury
14 Department, War Department, Navy Department, Justice
15 Department, Reconstruction Finance Corporation, Smaller
16 War Plants Corporation, United States Maritime Commis-
17 sion, War Production Board, Bureau of the Budget, War
18 Food Administration, Federal Works Agency, Civil Aero-
19 nautics Board, and the Foreign Economic Administration;
20 and the nine members of the National Production-Employ-
21 ment Board.

22 SEC. 403. It shall be the function and duty of the
23 Administration—

24 (a) to have general supervision and direction of
25 the handling and disposition of surplus war property;

1 (b) to have general supervision and direction of
2 the transfer of any surplus war property in the posses-
3 sion of any Government agency to any other Govern-
4 ment agency;

5 (c) unless the Director of War Mobilization shall
6 otherwise direct, to assign, so far as it is deemed prac-
7 ticable by the Administration, the various types of sur-
8 plus war property for disposition as follows: Consumer
9 goods shall be assigned to the Procurement Division
10 of the Department of the Treasury; capital and pro-
11 ducers' goods, including plants, equipment, raw mate-
12 rials, scrap, and other industrial property, to a sub-
13 sidiary of the Reconstruction Finance Corporation
14 created pursuant to section 5d (3) of the Reconstruc-
15 tion Finance Act, as amended; ships and other maritime
16 property, to the United States Maritime Commission;
17 and food to the War Food Administration: *Provided*,
18 That surplus war property located outside the United
19 States or to be disposed of outside the United
20 States shall be assigned to the Foreign Economic
21 Administration;

22 (d) to prescribe regulations and issue directives
23 necessary to effectuate the purposes of this Act; and
24 no Government agency shall transfer or dispose of
25 surplus war property in contravention thereof. Each

1 Government agency shall submit such information and
2 reports with respect to surplus war property and in such
3 form and at such times as the Administration shall di-
4 rect. When requested by the Administration, a Gov-
5 ernment agency shall execute such documents for the
6 transfer of title or for any other purpose or take such
7 steps as the Administration shall determine to be neces-
8 sary or proper to transfer or dispose of surplus war
9 property or otherwise to carry out the provisions of the
10 Act.

11 SEC. 404. The Administrator may perform the func-
12 tions and exercise the powers, authority, and discretion
13 conferred on the Administration by this Act by such officials
14 and such agencies and in such manner as the Administrator,
15 subject to the provisions of this Act, may determine. In
16 carrying out the purposes of this Act, the Administration
17 may utilize the services of any other Government agency.

18 SEC. 405. The Director of the Bureau of the Budget
19 or his representative shall serve as the executive secretary
20 of the Board. It shall be his duty, subject to the authority
21 of the Administrator—

22 (a) to coordinate the inventory records of surplus
23 war property in the possession or control of Government
24 agencies;

25 (b) after consultation with such agencies, to pre-

1 scribe suitable standards and procedures which, so far
2 as practicable, shall be uniform for their inventory, classi-
3 fication, and transfer within the Government;

4 (c) to prepare for the Administrator such consoli-
5 dated reports as he may require of all operations under
6 this title;

7 (d) to receive and review the property require-
8 ments of Government agencies for the purpose of ac-
9 quiring such property in their behalf from surplus stocks.

10 SEC. 406. Each agency charged with responsibility for
11 disposal of surplus war property shall organize advisory
12 committees, with which it shall consult regarding policies
13 and procedures to govern disposal of the various classes of
14 surplus under this Act. Such committee shall be fairly repre-
15 sentative of—

16 (a) the larger business units of the interested in-
17 dustry, including its wholesale and retail distributors, if
18 any;

19 (b) the smaller business units therein;

20 (c) the labor groups therein;

21 (d) interested farm, consumer, and other groups, if
22 any.

23 SEC. 407. Each disposal agency immediately upon
24 receipt of notice of any surplus property and before under-
25 taking disposal to the public, shall transmit detailed inven-

1 tories thereof to the Bureau of the Budget, the Smaller
2 War Plants Corporation, and the Foreign Economic Admin-
3 istration, which agencies shall have priority in acquiring
4 such surplus for the purposes and in the order and manner
5 following:

6 (a) The Bureau of the Budget shall have the right to
7 acquire any surplus property for transfer to any Government
8 agency which needs it. Such transfer shall be made upon
9 such terms and with such charge to the appropriation of the
10 transferee as the Bureau of the Budget shall prescribe under
11 the applicable law.

12 (b) The Smaller War Plants Corporation shall have
13 the right to acquire any surplus property for resale or other
14 transfer to small business when in its judgment such acqui-
15 sition is required to carry out the policy of the Act to preserve
16 and strengthen the competitive position of small business.

17 (c) The Foreign Economic Administration shall have
18 the right to acquire any surplus property in the United
19 States for sale or other transfer abroad in such quantities as
20 the head of the agency charged with the disposal of such
21 property and the Foreign Economic Administration shall
22 agree upon.

23 SEC. 408. Excepting transfers to other Government
24 agencies in accordance with section 7—

25 (a) All surplus property disposals shall be subject to

1 the provisions for advertisement and competitive bidding of
2 section 3709 of the Revised Statutes, unless the head of the
3 disposal agency shall determine that disposal by some other
4 means would better effectuate the policy of the Act and shall
5 certify to the Administrator such determination and the
6 reasons therefor.

7 (b) No sale or other transfer of surplus property shall
8 be made unless the disposal officer shall certify in writing to
9 the Administrator that in his judgment such sale or transfer—

10 (1) will not adversely affect the maintenance and
11 promotion of maximum employment;

12 (2) will not unduly dislocate domestic markets;

13 (3) will not encourage monopoly or undue concen-
14 tration of industry or commerce or adversely affect small
15 business or free competitive enterprise.

16 (c) Whenever surplus property proposed for sale or
17 other transfer as an entity shall comprise a plant or group
18 of plants or other property representing a cost to the Gov-
19 ernment of \$5,000,000 or more, the certification prescribed
20 in subsection (b) of this section shall be made by the Ad-
21 ministrator himself. The Administrator shall not make the
22 required certification unless he shall have referred to the
23 Attorney General the terms and other pertinent circum-
24 stances of the proposed sale or transfer and shall have been
25 advised in writing by him that in his judgment the pro-

1 posed sale or transfer will not encourage monopoly or undue
2 concentration of industry or commerce or adversely affect
3 small business or free competitive enterprise. The Attorney
4 General shall render his opinion to the Administrator within
5 thirty days of receipt of a request therefor, or he may
6 request an additional period not to exceed sixty days to
7 render his opinion, in which case his time to respond is
8 extended as requested: *Provided*, That in the event the
9 Attorney General does not respond in the time herein pre-
10 scribed, the Administrator may determine to proceed on his
11 own responsibility. Every contract of sale or other transfer
12 of such property shall contain suitable provisions prohibiting
13 subsequent transfers within a period of three years next
14 succeeding the effective date of the contract unless such
15 transfer is approved by the Administrator and the Attorney
16 General as being eligible for certification under this sub-
17 section.

18 (d) Every contract for the sale, lease, or other transfer
19 of a plant shall be made upon the condition that the pur-
20 chaser, lessee, or transferee, and their transferees, if any,
21 shall maintain the plant in operation and production for a
22 period of three years next succeeding the effective date of
23 the contract, and that upon breach of such condition, the
24 Government may rescind the contract and recover the plant.

1 (e) Every agency engaged in the disposition of surplus
2 property shall maintain in each of its disposal offices full
3 records of its inventories of surplus property and of each
4 of the disposal transactions negotiated by such office and
5 shall make such records available for inspection by the public.

6 (f) At least ten days before advertising for bids or
7 posting notice of sale or transfer by other means, every
8 disposal officer shall notify the nearest regional office of
9 the Smaller War Plants Corporation of the proposed terms
10 of disposal specifying the minimum quantities on which
11 bids or offers will be received and the credit terms, if any,
12 for the purpose of permitting the Smaller War Plants Cor-
13 poration to advise the disposal officer if, in its judgment,
14 the proposed terms discriminate against small business pur-
15 chasers.

16 SEC. 409. No option to purchase or otherwise acquire
17 Government-owned property which is held by a contractor
18 with the Government or other person shall be honored
19 except in strict conformity with the price and other terms of
20 such option. In the event of failure validly to exercise
21 such an option, the property shall be disposed of in accord-
22 ance with the applicable provisions of this Act.

23 SEC. 410. All proceeds from the sale or other disposition
24 of surplus property under this Act shall be deposited and
25 covered into the Treasury as miscellaneous receipts.

1 SEC. 411. No Government agency shall dispose of any
2 Government-owned ships or Government-owned plants for
3 the production of aircraft, synthetic rubber, aluminum, mag-
4 nesium, or steel, or any Government-owned shipyard or
5 pipe line, unless such disposition is required by a valid
6 contract provision in effect upon the enactment of this Act.
7 The Administrator shall prepare a study of such plants and
8 facilities and report to Congress his recommendation for their
9 disposal.

SEC. 412. No surplus Government-owned plant or other surplus property shall be destroyed without a prior determination by two-thirds vote of the Board concurred in by the Administrator (1) that the plant or property is of no value or (2) that the destruction of the plant or property is required in order to avoid substantial injury to the industry or industries concerned. Any surplus property shall be reduced to scrap or disposed of as scrap only in accordance with regulations of the Administrator.

TITLE V

TRAINING AND PLACEMENT OF WAR WORKERS AND RETURNING SERVICEMEN

SEC. 501. The Congress hereby declares that the ob-
jectives of this title are—

24 (a) to facilitate the most effective mobilization and

1 maximum utilization of the Nation's manpower in the
2 prosecution of the war;

3 (b) to maintain maximum employment in the
4 transition from war to peacetime production;

5 (c) to provide for the coordination of the de-
6 mobilization of servicemen with employment oppor-
7 tunities under a policy of demobilizing servicemen as
8 rapidly as the military situation permits;

9 (d) to provide necessary training of ex-service-
10 men and war workers;

11 (e) to provide the necessary economic assistance
12 to returning ex-servicemen and war workers in connec-
13 tion with transfer, training, and reemployment where
14 such necessary economic assistance is not already
15 provided.

16 SEC. 502. There is hereby created within the Office
17 a Committee on Reemployment, consisting of the Secre-
18 tary of the Department of Labor, the Administrator of
19 the Veterans' Administration, the Chairman of the War Man-
20 power Commission (for the War Manpower Commission
21 and the Federal Security Agency), the Chairman of the
22 War Production Board, Director of Selective Service System,
23 and the Assistant Director of the Office and such other persons
24 as shall be appointed by the President. The Committee shall
25 be under the chairmanship of a Work Administrator ap-

1 pointed by the President with the advice and consent of the
2 Senate, and who shall receive a salary of \$12,000 per year.

3 SEC. 503. It shall be the function of the Work Admin-
4 istrator, consulting and advising with the Committee on Re-
5 employment, to establish a unified reemployment program
6 covering recruitment, training, transfer, and placement of
7 returning servicemen and workers engaged in war and
8 essential civilian production. The reemployment program
9 shall include provision for compiling full detail on declining
10 and increasing employment opportunities (by industrial seg-
11 ments, geographic areas, and plants) resulting from curtail-
12 ment in war production and resumption of civilian production;
13 for placement of workers in appropriate employment; and
14 for interim financing of workers pending placement in ac-
15 cordance with the authority of this title.

16 For these purposes, the War Production Board and other
17 agencies having data on production changes and employment
18 opportunities shall furnish the Work Administrator full in-
19 formation on current and projected schedules of military and
20 civilian production in such detail as the Work Administrator
21 shall deem necessary.

22 The Director of Selective Service, with the assistance
23 of the War and Navy Departments, shall furnish data on
24 current and projected rates of discharge of servicemen pro-
25 viding such details concerning the servicemen as the Work

1 Administrator may deem necessary and is practicable for
2 the Selective Service and the War and Navy Departments
3 to furnish. It shall be the duty of the War and Navy
4 Departments to anticipate so far as practicable, the forward
5 programs of demobilization of servicemen, and to cooperate
6 with the Director of the Selective Service System and the
7 Work Administrator in furnishing full data on such
8 demobilization.

9 All Federal agencies shall furnish full details of their
10 current programs and their proposed administrative and
11 other contributions relating to the activities of the Work
12 Administrator under this section.

13 SEC. 504. The Work Administrator may, without re-
14 gard to the civil-service laws, rules, and regulations, and the
15 Classification Act of 1923, as amended, employ and fix the
16 compensation of such officers and employees, and may make
17 such expenditures for supplies, facilities, and services as may
18 be necessary to carry out the provisions of this Act.

19 The Work Administrator, except as otherwise provided
20 in this title, may exercise the powers, authority, and func-
21 tions given him in this title through such existing Federal
22 agencies and officials and in such manner as he may
23 determine.

24 SEC. 505. In order to facilitate the recruitment, training,
25 transfer, and placement of workers and ex-servicemen, the

1 Work Administrator is hereby authorized to pay the cost of
2 transportation of workers and ex-servicemen, including trans-
3 portation of dependents and household effects from their last
4 previous residence to new jobs, in accordance with such regu-
5 lations as may be prescribed by the Work Administrator:
6 *Provided*, That such transportation allowances shall not ex-
7 ceed the allowances provided for Government employees in
8 the Standard Government Traveling Regulations, as approved
9 by the President.

10 SEC. 506. (a) Every honorably discharged employable
11 serviceman, and every civilian worker, from the date of
12 enactment of this Act until two years after the termination
13 of hostilities, shall within one week after registration with
14 the United States Employment Service be entitled to place-
15 ment in a suitable job or shall be entitled to Federal interim
16 placement benefits as provided in this title: *Provided*, That
17 such job and placement benefits shall be available to a
18 serviceman discharged from service after the terminations of
19 hostilities for a period of two years following his discharge.
20 Such benefits shall be at the rate of \$20 for each week of
21 total unemployment if the serviceman or civilian worker has
22 no dependent, \$25 if he has one dependent, \$30 if he has
23 two dependents, or \$35 if he has three or more dependents:
24 *Provided*, That in the case of a person other than a service-
25 man, the maximum benefit paid shall not exceed 80 percent

1 of his regular weekly earnings, as defined in regulations of
2 the Work Administrator: *And provided further*, That such
3 benefits shall be subject to reduction, in accordance with
4 regulations of the Work Administrator, on account of any
5 unemployment or disability compensation paid him by any
6 public agency for the same period of unemployment. Bene-
7 fits shall also be paid, under such conditions and in such
8 amounts as may be prescribed by the regulations of the Work
9 Administrator, for periods of partial unemployment. No
10 payment shall be made under this section to any serviceman
11 or civilian worker for any period for which he receives an
12 education or training allowance under this title.

13 (b) No payment shall be made under this section to
14 any serviceman or civilian worker for any period unless (1)
15 he registers with and continues to report to a public em-
16 ployment office, or other agency designated in regulations
17 of the Work Administrator, and (2) he is able to work
18 and available for suitable work; but to the extent prescribed
19 in regulations of the Work Administrator the provisions of
20 this subsection shall be inapplicable to any person during
21 any period of illness or disability.

22 (c) The Work Administrator shall by regulation pre-
23 scribe disqualifications, in such cases and under such condi-
24 tions as he finds will promote the purposes of this Act, for
25 leaving suitable work voluntarily and without good cause,

1 for discharge for misconduct in the course of employment,
2 for failure to apply for suitable work, and for failure to
3 accept suitable work when offered. No such disqualifica-
4 tion shall be for a period of more than five weeks. In de-
5 termining the suitability of work or the existence of good
6 cause there shall be considered, among other factors, the
7 training and experience of the serviceman or civilian worker,
8 including any training or experience while a member of the
9 armed forces, and including any education or training under
10 this Act.

11 (d) The provisions of this section shall be administered
12 by the Work Administrator through the Social Security
13 Board in the Federal Security Agency and the United
14 States Employment Service in the War Manpower Com-
15 mission. To such extent as it finds practicable, the Board
16 shall utilize the services and facilities of State unemploy-
17 ment compensation agencies, and shall reimburse such
18 agencies therefor from funds appropriated pursuant to this
19 Act.

20 (e) The civilian workers eligible for the benefits of this
21 section shall be those who, within the twelve months imme-
22 diately preceding the date when such sections become appli-
23 cable to them, have earned not less than \$600 in employment
24 covered by title II of the Social Security Act (providing
25 old-age and survivors insurance benefits) or in employment

1 by the Federal Government or by a State, the District of
2 Columbia, or a Territory or possession, or by a political sub-
3 division or instrumentality of any of the foregoing; and those
4 who, within such twelve months, have been employed with
5 substantial regularity for not less than six months in agri-
6 cultural labor.

7 (f) In the administration of the public employment
8 offices honorably discharged servicemen who are employable,
9 but partially disabled, shall be given preference in job place-
10 ment.

11 SEC. 507. (a) The Work Administrator is authorized
12 to provide an honorably discharged serviceman free education
13 or training, of not more than four years of full-time or part-
14 time study, which shall commence within twenty-four months
15 after his discharge from the armed forces or his relief from
16 active duty. The Work Administrator is furthermore author-
17 ized to provide a civilian worker free education or training,
18 of not more than six months of full-time study or its equivalent
19 in part-time study, which shall commence within twelve
20 months after the time when this section becomes applicable
21 to him. Such education or training shall be in any field of
22 learning, and in any approved institution: *Provided*, That
23 the serviceman or civilian worker is accepted as a student by
24 such institution and continues to meet its academic and other
25 requirements.

1 (b) Every serviceman or civilian worker, while he is
2 receiving education or training on a full-time basis, shall be
3 entitled to receive a maintenance allowance at the rate of
4 \$50 a month if he has no dependent, or \$75 if he has one or
5 more dependents. The Work Administrator may provide for
6 maintenance allowances, under such conditions and in such
7 amounts as may be prescribed by regulations, to servicemen
8 and civilian workers receiving education or training on a part-
9 time basis; but no such allowance shall be paid to any person
10 receiving training on the job other than under an approved
11 apprenticeship program.

12 (c) The Work Administrator shall from time to time
13 make available information respecting the need for general
14 education and for trained personnel in the various trades,
15 crafts, and professions. He shall make educational and voca-
16 tional guidance available to persons eligible for education and
17 training under this Act.

18 (d) The provisions of subsection (a) of this section
19 shall be administered by the Work Administrator through
20 such Federal agency as shall be designated by him. The
21 approval of institutions for participation in the program and
22 the payment to them of tuition and other fees shall, under
23 regulations of the Work Administrator, be delegated to State
24 educational agencies which accept such delegation and which
25 meet the requirements of this section; and such State agencies

1 shall be reimbursed therefor from funds appropriated pur-
2 suant to this Act. Except as provided in such regulations,
3 tuition fees shall be at the rates which the several institutions
4 customarily charge to nonresident students. No such dele-
5 gation shall be made to any State unless in that State a single
6 agency either has jurisdiction over all public education in the
7 State or has authority to coordinate and supervise all State
8 agencies performing educational functions under this section.

9 SEC. 508. Section 2 of the Mustering-out Payment Act
10 of 1944 is amended to read as follows:

11 "SEC. 2. Mustering-out payment for persons eligible
12 under section 1 shall be made in equal monthly installments.
13 The first installment shall be paid at the time of final dis-
14 charge or ultimate relief from active service, and the remain-
15 ing installments shall be paid in successive months there-
16 after. Each installment shall be at the rate of \$100 if the
17 member of the armed forces has no dependent, \$125 if he
18 has one dependent, and \$150 if he has two or more depend-
19 ents. All persons shall be entitled to two installments plus
20 an additional installment for each year of active service or
21 major fraction thereof. Any person who has served out-
22 side the continental limits of the United States or in Alaska
23 shall be entitled to a further additional installment."

78TH CONGRESS
2^D Session

S. 1823

A BILL

To establish an Office of War Mobilization and
Adjustment.

By Mr. KUGORE

MARCH 29 (legislative day, FEBRUARY 7), 1944
Read twice and referred to the Committee on Military
Affairs

78TH CONGRESS
2^D SESSION

S. 1893

IN THE SENATE OF THE UNITED STATES

MAY 4 (legislative day, APRIL 12), 1944

Mr. KILGORE introduced the following bill: which was read twice and referred to the Committee on Military Affairs

A BILL

To provide for the establishment of an office of War Mobilization and Adjustment, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—DEVELOPMENT AND EXECUTION OF
4 WAR MOBILIZATION AND POST-WAR ADJUST-
5 MENT PROGRAMS

6 SEC. 101. The Congress hereby declares that the objec-
7 tives of this Act are—

8 (a) To achieve the necessary war production which is
9 indispensable to the speediest victory through the maximum
10 mobilization and utilization of the Nation's natural and in-
11 dustrial resources and of the manpower not in the armed

1 forces, and through the wartime stabilization of the civilian
2 economy;

3 (b) To insure that the great momentum of the war
4 mobilization which is bringing victory to our arms will
5 not be lost, but will be reconverted into a peacetime tran-
6 sition program providing for full production, full employ-
7 ment at adequate wages, and full consumption in a steadily
8 expanding civilian economy with rising standards of living
9 for all; and

10 (c) To provide for the development of a unified pro-
11 gram to secure the foregoing objectives, and the necessary
12 coordination of the activities of the Federal agencies engaged
13 in or concerned with: Production, procurement, distribution,
14 or transportation of military or civilian supplies, materials,
15 and products; economic stabilization; war production cut-
16 backs; settlement of claims under terminated war contracts;
17 disposition of surplus war property; resumption and ex-
18 pansion of civilian goods production; the training and place-
19 ment of returning servicemen and civilian workers in war
20 and peacetime industry and agriculture; and other programs
21 affecting war mobilization and peacetime production and
22 employment.

23 SEC. 102. (a) There is hereby established the Office
24 of War Mobilization and Adjustment (hereinafter called
25 the Office), at the head of which shall be the Director of

1 War Mobilization and Adjustment. The Director shall be
2 appointed by the President, with the advice and consent
3 of the Senate, and shall receive compensation at the rate of
4 \$15,000 per annum.

5 (b) There is hereby established in the Office a Bureau
6 of Programs headed by a Chief, who shall be appointed by
7 the President, with the advice and consent of the Senate,
8 and shall receive compensation at the rate of \$12,000 per
9 annum.

10 (c) The following Administrations are hereby created
11 within the Office of War Mobilization: The Surplus
12 War Property Administration and the Retraining and Re-
13 employment Administration. Each of these Administrations
14 shall be headed by an Administrator, appointed by the Presi-
15 dent, with the advice and consent of the Senate; and each
16 shall receive compensation at the rate of \$12,000 per annum.

17 (d) The Director, the Chief of the Bureau of Programs,
18 and the several Administrators, except as herein otherwise
19 provided, may employ and fix the compensation and define
20 the authority and duties of such officers and members, and
21 may make such expenditures for supplies, facilities, and serv-
22 ices as may be necessary to carry out the provisions of this
23 Act. All appointments shall be made in accordance with
24 the provisions of civil-service laws and regulations and Clas-
25 sification Act of 1923, as amended, except that expert tech-

1 nical and professional personnel may be employed without
2 regard to these laws and regulations where deemed desir-
3 able by the Director, the Chief of the Bureau of Programs,
4 or the several Administrators, as the case may be.

5 SEC. 103. (a) It shall be the function of the Director,
6 subject to the direction and control of the President—

7 (1) to unify the programs and activities of Federal
8 agencies engaged in or concerned with: Production, pro-
9 curement, distribution, or transportation of military or
10 civilian supplies, materials, and products; economic sta-
11 bilization; war production cut-backs; settlement of claims
12 under terminated war contracts; disposition of surplus
13 war property; resumption and expansion of civilian
14 goods production; the training and placement of re-
15 turning servicemen and civilian workers in war and
16 peacetime industry and agriculture; and other programs
17 affecting war mobilization and peacetime production
18 and employment; and

19 (2) to issue such directives on program, policy,
20 and operations to the Federal agencies as may be neces-
21 sary to carry out the programs developed and the policies
22 established by the Office under this Act. It shall be the
23 duty of all such agencies and departments to execute
24 such directives, and to supply such data and make such
25 progress reports to the Office as the Office may require.

1 (b) The Office may perform the functions, exercise the
2 powers, authority, and discretion conferred on it by this Act
3 through such officials and such agencies and in such manner
4 as the Director may determine.

5 SEC. 104. It shall be the function of the Chief of the
6 Program Bureau, subject to direction and control of the
7 Director—

8 (1) to review the programs of the several Federal
9 agencies which are subject to the direction of the Office
10 and to recommend to the Director such modifications as
11 are deemed necessary to assure fulfillment of the objec-
12 tives of this Act;

13 (2) to make periodic progress reports to the Di-
14 rector which shall assess current performance on ap-
15 proved programs;

16 (3) to require Government agencies performing
17 functions under this Act to prepare such data and re-
18 ports as are necessary to permit the review of the pro-
19 grams and the making of the progress reports required
20 in this section;

21 (4) to evaluate and report on current and projected
22 public and private activities affecting war mobilization
23 and peacetime full production and employment, and sur-
24 vey continuously the necessity for additional programs
25 or legislation as will achieve the objectives of this Act.

1 The surveys shall include (without being limited there-
2 to) programs and measures for public works, housing,
3 taxation, industrial and regional development, expansion
4 of foreign trade, social security, and the maintenance
5 of competitive enterprise; and

6 (5) to consult and cooperate with State and local
7 governments, industrial, labor, agricultural, and other
8 groups (national and local) concerning the fulfillment
9 of the objectives of the Act.

10 (b) The Office shall transmit to the Senate and House
11 of Representatives within three months after the approval of
12 this Act and thereafter at intervals not exceeding three
13 months a summary of the progress reports, program reviews,
14 surveys, and legislative and other recommendations prepared
15 by the Bureau.

16 SEC. 105. (a) There is hereby created within the Office
17 a National Production-Employment Board (hereinafter
18 called the Board) consisting of three representatives of in-
19 dustry, three representatives of labor, three representatives
20 of agriculture, and three representatives of the consuming
21 public, who shall be appointed by the President: *Provided,*
22 That each member of the Board may designate an alternate
23 to sit and act for him. The Board shall elect a chairman
24 from among its own members and shall, by a majority vote
25 of its members, determine its rules of procedure, except as

1 otherwise defined by this Act, and the powers conferred
2 on the Board by this Act may be exercised by a majority
3 vote.

4 (b) It shall be the general function of the Board, and
5 each member individually, to endeavor to secure maximum
6 cooperation and participation of the American people in war
7 mobilization and post-war adjustment, and to provide the
8 Office with such advice and guidance as the members deem
9 will promote the objectives of this Act. The Board and
10 each individual member thereof shall have full access to all
11 data in the Office bearing on the effectiveness and adequacy
12 of War Mobilization and Post-War Adjustment.

13 (c) The Chief of the Bureau of Programs shall serve
14 as the executive secretary of the Board. He shall prepare,
15 under the direction of the Board, such reviews of programs,
16 reports, and studies as the Board may request, and for these
17 purposes shall exercise on behalf of the Board the full facili-
18 ties of the Office and the powers conferred on the Office by
19 this Act. The Board may make to the Congress, to the
20 Director, the several administrators of the Office, and to
21 other Federal officials performing functions subject to the
22 direction of the Office, such recommendations relating to
23 legislation, policy, and operations as it may deem necessary
24 to fulfill the purposes of this Act. All such recommendations
25 and all reports and studies issued by the Board shall be

1 supplemented by such statements or comments as any in-
2 dividual member may wish included.

3 (d) The Director, the several administrators of the
4 Office, the Chairman of the War Production Board, and
5 such other Federal officials performing functions subject to
6 direction by the Office as shall be designated by the Board,
7 shall meet with it at least once a month and shall consult
8 and advise with it on all basic policies and programs which
9 are subject to direction by the Office;

10 (e) All Federal agencies performing functions subject
11 to the jurisdiction of the Office shall, with respect to policies,
12 programs, and operations affecting industrial segments or
13 geographical areas, consult and advise with joint councils
14 which shall be representative, in the particular area or
15 industrial segment, of industry, large and small, labor, and
16 wherever appropriate, agriculture. All such industrial seg-
17 ment or area joint councils shall be appointed by the Direc-
18 tor, with the advice and consent of the Board.

19 (f) All appointments of members or alternates to the
20 Board, and of members of the area and industry to the joint
21 councils, may be made without regard to any of the pro-
22 visions of law with respect to the appointment and com-
23 pensation of employees of the United States. Members
24 and alternates of the Board and of the joint advisory councils
25 shall serve without remuneration, except for per diem allow-

ances as shall be prescribed by the Director, not to exceed \$25 each day spent in the actual performance of duty, plus necessary traveling and other expenses incurred while so engaged.

(g) The Office shall provide for the Board an adequate technical and clerical staff which shall serve under its immediate supervision. The Director shall appoint, with the advice and consent of the consumer representatives, a consumer's counsel who shall, together with such staff as he may need, serve under the supervision of the consumer representatives in providing the Board with full information on the effect of current and projected programs and policies on consumer interests.

TITLE II—WAR PRODUCTION CHANGES AND RECONVERSION

SEC. 201. Subject to the direction and control of the Office, the Chairman of the War Production Board shall—

(a) Review the military production programs of the several Federal procurement agencies for the purpose of coordinating such programs and synchronizing curtailments with the resumption of civilian goods production;

(b) Establish unified policies and programs for the expansion, transfer, and curtailment of military production and for the resumption and expansion of civilian production cov-

1 ering specific products, firms, industry segments, and geo-
2 graphical areas;

3 (c) Develop programs for the curtailment of military
4 production and industrial reconversion based upon assumed
5 military developments on stated dates.

6 SEC. 202. The Chairman of the War Production Board,
7 or the official to whom he shall delegate the authority and
8 responsibilities set forth in section 201, shall advise and
9 consult with a Production Program and Reconversion Com-
10 mittee, which shall consist of one representative each of the
11 following: War Department, Navy Department, State De-
12 partment, Maritime Commission, Foreign Economic Admin-
13 istration, War Manpower Commission, Office of Price
14 Administration, Smaller War Plants Corporation, Office of
15 Civilian Requirements, the vice chairman for Labor Pro-
16 duction and Manpower Requirements, and such other
17 representatives of such Federal agencies as the Chairman of
18 the War Production Board may designate.

19 SEC. 203. In order to enable the War Production Board
20 effectively to discharge its responsibilities under this title,
21 each Federal procurement agency shall continuously survey
22 its material and product requirements and shall report to the
23 War Production Board as soon as practicable every projected
24 change in its procurement program, including the award of
25 new contracts and the modification, transfer, or termination

1 of contracts previously awarded. The procurement agencies
2 shall supply such other data as the War Production Board
3 shall require for the purpose of this title. The procurement
4 agencies shall maintain such records and make such reports
5 to the War Production Board as the Board may require to
6 appraise the compliance of the procurement agencies with the
7 programs and policies established by the Board.

8 SEC. 204. In formulating programs and policies for war
9 production and reconversion, the War Production Board and
10 the Production Program and Reconversion Committee shall,
11 so far as practicable, give effect to the following objectives:

12 (a) Necessary war production for our armed forces and
13 those of our allies shall be expedited and maintained without
14 impairment.

15 (b) Curtailments of war production shall be pro-
16 grammed so as to permit the utilization without delay of the
17 released manpower and facilities in the production of other
18 war products or civilian goods.

19 (c) Resumption and expansion of production of specific
20 civilian items shall, so far as practicable, be in the order of
21 essentiality to the domestic civilian economy and to the needs
22 of reconstruction abroad.

23 (d) Subject to the overriding requirements of war pro-
24 duction, full consideration shall be given to the production
25 and manpower resources of the industrial segments, geo-

1 graphic areas, and concerns affected by curtailment and re-
2 conversion programs. The small business contractor shall
3 not be discriminated against in the termination of contracts
4 because of slightly higher costs of production, nor shall small
5 business concerns, if war contracts are not available to them,
6 be prevented from entering civilian goods production fields
7 merely because larger concerns in the same fields are still
8 engaged in war production. Resumption of civilian goods
9 programs shall give particular consideration to smaller busi-
10 ness concerns, especially in those fields which have been most
11 adversely affected by the necessities of war production.

12 SEC. 205. The Chairman of the War Production Board
13 may establish special boards for the purpose of hearing ap-
14 peals from decisions of the War Production Board with re-
15 spect to production curtailment and reconversion on the
16 grounds of discrimination.

17 TITLE III—DISPOSITION OF SURPLUS WAR
18 PROPERTY

19 SEC. 301. It shall be the function of the Administrator
20 of the Surplus War Property Administration (hereinafter
21 in this title referred to as the Administrator and Adminis-
22 tration, respectively), subject to the direction and control
23 of the Director—

24 (a) To handle and dispose of surplus war property

1 upon such terms as he shall deem necessary, subject to the
2 provisions of this Act;

3 (b) To have general supervision and direction of the
4 transfer of any surplus war property in the possession of
5 any Government agency to any other Government agency;

6 (c) To assign surplus property for disposal by the few-
7 est number of Federal agencies practicable and to centralize
8 in one disposal agency responsibility for the disposal of all
9 property of the same type or class;

10 (d) To prescribe regulations and issue directives neces-
11 sary to provide, so far as practicable, for uniform and wide
12 public notice concerning surplus property available for sale,
13 and for uniform and adequate time intervals between notice
14 and sale so that all interested purchasers, large and small,
15 shall have a fair opportunity to buy; and

16 (e) To prescribe regulations and issue directives neces-
17 sary to effectuate the provisions of this title; and no Govern-
18 ment agency shall transfer or dispose of surplus war property
19 in contravention thereof.

20 SEC. 302. The Administrator shall regularly advise and
21 consult with a Surplus War Property Committee. The
22 committee shall be composed of one representative each
23 of the State Department, Treasury Department, War De-
24 partment, Navy Department, Justice Department, Recon-

1 struction Finance Corporation, Smaller War Plants Cor-
2 poration, United States Maritime Commission, War
3 Production Board, Office of Price Administration, Bureau
4 of the Budget, War Food Administration, Federal Works
5 Agency, Civil Aeronautics Board, and the Foreign Economic
6 Administration.

7 SEC. 303. Each Government agency shall submit to the
8 Administrator such information and reports with respect
9 to surplus war property in such form and at such times
10 as the Administrator shall direct. When requested by the
11 Administrator, a Government agency shall execute such
12 documents for the transfer of title or for any other purposes
13 or take such steps as the Administrator shall determine to
14 be necessary or proper to transfer or dispose of surplus war
15 property or otherwise to carry out the provisions of the
16 Act.

17 SEC. 304. In formulating regulations and directives
18 governing the handling and disposition of surplus war prop-
19 erty, the Administrator and Committee on Surplus War
20 Property shall give effect to the following objectives:

21 (a) Aid maximum war production by facilitating the
22 transfer of property which may be surplus in one Govern-
23 ment agency to meet the requirements of other Government
24 agencies;

1 (b) Promote full production and employment of labor
2 and natural resources in all sections of the country;

3 (c) Aid small business concerns to achieve and main-
4 tain maximum production and to preserve and strengthen
5 their competitive position in an economy of free enter-
6 prise;

7 (d) Aid ex-servicemen to establish and maintain their
8 own small business enterprises;

9 (e) Avoid economic dislocations resulting from uncon-
10 trolled dumping of such surpluses;

11 (f) Discourage monopolistic practices and insure fair
12 prices to the consumers;

13 (g) Sell such surpluses in such quantities and on such
14 terms as will discourage disposals to speculators or for specu-
15 lative purposes;

16 (h) Establish and develop foreign markets through
17 the programmed exports of such surpluses; and

18 (i) Obtain the highest return for the Government con-
19 sistent with the foregoing objectives.

20 SEC. 305. The Administrator may perform the func-
21 tions and exercise the powers, authority, and discretion
22 conferred on the Administration by this Act by such officials
23 and such agencies and in such manner as the Administrator,
24 subject to the provisions of this Act, may determine. In

1 carrying out the purposes of this Act, the Administration
2 may utilize the services of any other Government agency.

3 SEC. 306. Each disposal agency, immediately upon
4 assignment thereto of any surplus property and before
5 undertaking disposal to the public, shall transmit detailed
6 inventories thereof to the Bureau of the Budget, the Smaller
7 War Plants Corporation, and the Foreign Economic Admin-
8 istration, which agencies shall have priority in acquiring
9 such surplus for the purposes and in the order and manner
10 following:

11 (a) The Bureau of the Budget shall have the right to
12 acquire any surplus property for transfer to any Government
13 agency which needs it. Such transfer shall be made upon
14 such terms and with such charge to the appropriation of the
15 transferee for the value thereof as the Bureau of the Budget
16 shall prescribe in accordance with existing law.

17 (b) The Smaller War Plants Corporation, subject to
18 the authority of the Director, shall have the right to acquire
19 any surplus property for sale or other transfer to small busi-
20 ness when in its judgment such acquisition is required to
21 carry out the policy of the Act to preserve and strengthen the
22 competitive position of small business.

23 (c) The Foreign Economic Administration shall have
24 the right to acquire any surplus property in the United States
25 for sale or other transfer abroad in such quantities as the head

1 of the agency charged with the disposal of such property
2 and the Foreign Economic Administration shall agree upon.

3 SEC. 307. The Administrator may prescribe regulations
4 to provide for the disposition of surplus property to States,
5 political subdivisions thereof, and tax-supported institutions
6 as follows:

7 (a) Surplus property which has been acquired by the
8 Federal Government for school, classroom, or other educa-
9 tional use may be transferred to the Office of Education in
10 the Federal Security Administration for donation to tax-
11 supported educational institutions.

12 (b) Surplus property for which the estimated cost of
13 handling, storage, and sale would exceed the estimated pro-
14 ceeds of commercial sale, may be donated to States, political
15 subdivisions thereof, or tax-supported institutions.

16 (c) Any surplus property may be sold or leased to
17 States, political subdivisions thereof, or tax-supported insti-
18 tutions at discounts not to exceed 50 per centum of the sale
19 or lease value thereof, as the case may be.

20 SEC. 308. (a) Whenever surplus property proposed for
21 sale or other transfer to private interests shall comprise a
22 plant or group of plants or other property representing an
23 original cost to the Government of \$1,000,000 or more, the
24 Administrator, before consummating the sale or transfer

1 shall cause to be published in the Federal Register the terms
2 and other pertinent circumstances of the proposed sale or
3 transfer and shall request the Attorney General to render an
4 opinion in writing whether, in his judgment, the proposed
5 sale or transfer will encourage monopoly or undue concentra-
6 tion of industry or commerce, or restrain competition sub-
7 stantially. If the Attorney General shall find that such pro-
8 posed sale or transfer will encourage monopoly or undue con-
9 centration of industry or commerce, or restrain competition
10 substantially, the Administrator shall not consummate the
11 proposed transfer. If the Attorney General shall fail to
12 render an opinion within thirty days of receipt of a request
13 therefor (or within such additional period not to exceed sixty
14 days which he may specifically request) the Administrator
15 may proceed with the proposed sale or transfer on his own
16 responsibility. The failure of the Attorney General to render
17 an opinion shall not be construed as a bar to prosecution for
18 violation of the antitrust laws.

19 (b) Every contract of sale (or other transfer) of the
20 property referred to in subsection (a) shall contain suitable
21 provisions prohibiting subsequent transfers within a period
22 of three years next succeeding the effective date of the con-
23 tract unless such subsequent transfer is approved by the
24 Administrator. Before approving an application for sub-
25 sequent transfer, the Administrator shall refer the matter to

1 the Attorney General as required in subsection (a) of this
2 section.

3 (c) Every contract for the sale, or lease for two years or
4 more, of a plant shall be made upon the condition that the
5 purchaser, lessee, or transferee, and their transferees, if any,
6 shall maintain the plant in substantial operation and pro-
7 duction for a period of two years next succeeding the ef-
8 fective date of the contract, and that upon breach of such
9 condition, the Government may recover the plant upon
10 return of the consideration due.

11 (d) Every agency engaged in the disposition of surplus
12 property shall maintain in each of its disposal offices full
13 records of its inventories of surplus property and of each
14 of the disposal transactions negotiated by such office and
15 shall make such records available for inspection by the
16 public.

17 (e) At least ten days before advertising for bids or
18 posting notice of sale or transfer by other means, every
19 disposal agency shall notify the nearest regional office of the
20 Smaller War Plants Corporation of the proposed terms of
21 disposal specifying the minimum quantities on which bids
22 or offers will be received and the credit terms, if any, for
23 the purpose of permitting the Smaller War Plants Corpora-
24 tion to advise the disposal agency if, in its judgment, the pro-
25 posed terms discriminate against small business purchasers.

1 SEC. 309. No option to purchase or otherwise acquire
2 Government-owned property which is held by any person
3 shall be honored except in strict conformity with the price
4 and other terms of such option. In the event of failure
5 validly to exercise such an option, the property shall be
6 disposed of in accordance with the applicable provisions of
7 this Act.

8 SEC. 310. No Government agency shall dispose of any
9 Government-owned plant for the production of aircraft, air-
10 craft parts, synthetic rubber, aluminum, magnesium, or steel,
11 or any Government-owned ship, shipyard, or pipe line, which
12 represents an original cost to the Government of \$1,000,000
13 or more: *Provided*, That the Administrator may authorize
14 the lease of such surplus property for a term not to exceed
15 three years in accordance with the provisions of section 308.
16 The Administrator shall prepare a report on the alterna-
17 tive means of disposal of such property and shall submit
18 such report together with his recommendations to Congress.

19 SEC. 311. Except as may be otherwise provided by
20 existing law, all proceeds from the sale or other disposition
21 of surplus property under this Act shall be deposited and
22 covered into the Treasury as miscellaneous receipts.

23 SEC. 312. The Administrator shall transmit to Congress
24 in January, April, July, and October of each year a report
25 of operations under this Act, including regulations, orders,

1 and directives of the Administrator, and summaries of each
2 disposal in which the property involved represented an origi-
3 nal cost to the Government of \$1,000,000 or more.

4 TITLE IV—RETRAINING AND REEMPLOYMENT
5 OF WAR WORKERS AND RETURNING
6 SERVICEMEN

7 SEC. 401. The Congress hereby declares that the ob-
8 jectives of this title are—

9 (a) To facilitate the most effective mobilization and
10 maximum utilization of the Nation's manpower in the
11 prosecution of the war;

12 (b) To maintain maximum employment in the tran-
13 sition from war to peacetime production;

14 (c) To provide for the coordination of the demobiliza-
15 tion of servicemen with employment opportunities under a
16 policy of demobilizing servicemen as rapidly as the military
17 situation permits;

18 (d) To provide necessary training of ex-servicemen
19 and war workers; and

20 (e) To provide the necessary economic assistance to
21 returning ex-servicemen and war workers in connection
22 with transfer, training, and reemployment.

23 SEC. 402. It shall be the function of the Administrator
24 of the Retraining and Reemployment Administration (here-
25 inafter referred to as the Work Administrator), subject to

1 the discretion and control of the Director, to establish a
2 unified reemployment program covering recruitment, train-
3 ing, transfer, and placement of returning servicemen and
4 workers in war and civilian production. The reemploy-
5 ment program shall include provision for compiling full
6 detail on declining and increasing employment opportunities
7 (by industrial segments, geographic areas, and plants) result-
8 ing from curtailment in war production and resumption of
9 civilian production; for placement of workers in appropriate
10 employment; and for interim financing of workers, including
11 returning servicemen, pending placement in accordance with
12 the authority of this title. The Work Administrator shall
13 prescribe regulations and issue directives to Federal agencies
14 necessary to effectuate the objectives of this title and all such
15 Federal agencies shall be governed by these.

16 SEC. 403. The Work Administrator shall consult and
17 advise with a Committee on Retraining and Reemployment,
18 consisting of one representative from each of the following:
19 Department of Labor, Veterans' Administration, War Man-
20 power Commission (for the War Manpower Commission
21 and the Federal Security Agency), War Production Board,
22 Selective Service System, Civil Service Commission, War
23 Department, Navy Department, and such other Federal
24 agencies as the Work Administrator may designate.

25 SEC. 404. (a) The War Production Board and other

1 agencies having data on production changes and employ-
2 ment opportunities shall furnish the Work Administrator
3 full information on current and projected schedules of military
4 and civilian production in such detail as the Work Adminis-
5 trator shall deem necessary.

6 (b) The Director of Selective Service, with the assist-
7 ance of the War and Navy Departments, shall furnish data
8 on current and projected rates of discharge of servicemen
9 providing such details concerning the servicemen as the
10 Work Administrator may deem necessary and is practicable
11 for the Selective Service and the War and Navy Depart-
12 ments to furnish. It shall be the duty of the War and Navy
13 Departments to anticipate so far as practicable, the forward
14 programs of demobilization of servicemen, and to cooperate
15 with the Director of the Selective Service System and the
16 Work Administrator in furnishing full data on such de-
17 mobilization.

18 SEC. 405. The Work Administrator may perform the
19 functions and exercise the powers, authority, and discretion
20 conferred on him by this Act through such officials and such
21 agencies and in such manner as the Work Administrator,
22 subject to the provisions of this Act, may determine. In
23 carrying out the purposes of this Act, the Administration
24 may utilize the services of any other Government agency.

25 SEC. 406. In order to facilitate the recruitment, train-

1 ing, transfer, and placement of workers and ex-servicemen,
2 the Work Administrator is hereby authorized to pay the
3 cost of transportation of workers and ex-servicemen, in-
4 cluding transportation of dependents and household effects,
5 from their last previous residence to new jobs, in accordance
6 with such regulations as may be prescribed by the Work
7 Administrator: *Provided*, That such transportation allow-
8 ances shall not exceed the allowances provided for Govern-
9 ment employees in the Standard Government Traveling
10 Regulations, as approved by the President.

11 SEC. 407. (a) In order to give effect to the objectives
12 of this title the Work Administrator is authorized to provide
13 to any person vocational free education or training, of not
14 more than six months of full-time study or its equivalent in
15 part-time study.

16 (b) Every person, while he is receiving vocational edu-
17 cation or training on a full-time basis, shall be entitled to
18 receive a maintenance allowance at the rate of \$50 a month
19 if he has no dependent, \$75 if he has one dependent, and
20 \$100 if he has two or more dependents. The Work Admin-
21 istrator may provide for maintenance allowances, under such
22 conditions and in such amounts as may be prescribed by
23 regulations, to servicemen and civilian workers receiving
24 education or training on a part-time basis; but no such al-
25 lowance shall be paid to any person receiving training on

1 the job other than under an approved apprenticeship
2 program.

3 (c) The Work Administrator shall from time to time
4 make available information respecting the need for general
5 education and for trained personnel in the various trades,
6 crafts, and professions. He shall make educational and voca-
7 tional guidance generally available.

8 SEC. 408. Section 2 of the Mustering-Out Payment Act
9 of 1944 is amended to read as follows:

10 "SEC. 2. Mustering-out payment for persons eligible
11 under section 1 shall be made in equal monthly installments.
12 The first installment shall be paid at the time of final dis-
13 charge or ultimate relief from active service, and the remain-
14 ing installments shall be paid in successive months thereafter.
15 Each installment shall be at the rate of \$100 if the member
16 of the armed forces has no dependent, \$125 if he has one
17 dependent, and \$150 if he has two or more dependents. All
18 persons shall be entitled to two installments plus an addi-
19 tional installment for each year of active service or major
20 fraction thereof. Any person who has served outside the
21 continental limits of the United States or in Alaska shall be
22 entitled to a further additional installment."

23 SEC. 409. (a) Every unemployed person who qual-
24 ifies under the provisions of section 410 of this Act shall,
25 within one week after registration with a public employment

1 office designated by the Work Administrator, be entitled
2 to placement in a suitable job or shall be entitled to "in-
3 terim placement benefits" whose payment shall be admin-
4 istered in accordance with section 410. Such benefits shall
5 be at the rate of \$20 for each week of total unemployment
6 if such person has no dependent, \$25 if he has one depend-
7 ent, \$30 if he has two dependents, or \$35 if he has three or
8 more dependents: *Provided*, That in the case of a person
9 other than an ex-serviceman, the maximum benefit paid shall
10 not exceed 80 per centum of his regular weekly earnings,
11 as defined by the Work Administrator: *Provided further*,
12 That any qualified person shall be entitled to reduced bene-
13 fits for periods of partial unemployment in such amounts
14 as the Work Administrator shall prescribe on the basis of
15 the approximate proportion borne by such person's partial
16 unemployment to total unemployment: *And provided fur-*
17 *ther*, That no benefits for partial unemployment shall be
18 paid in excess of an amount which when added to the per-
19 son's earnings during the period of partial unemployment
20 for which paid benefits on account of partial unemployment
21 shall exceed eight-fifths of the benefits he would receive for
22 total unemployment for such period.

23 (b) No payment for "interim placement benefits" shall
24 be made under this title to any person for any period unless
25 (1) he registers with and continues to report to a public

1 employment office, or other agency designated in regula-
2 tions of the Work Administrator, and (2) he is available
3 for suitable work: *Provided, however,* That the conditions
4 contained in (1) and (2) of this subsection shall not be
5 applicable during periods of illness or disability.

6 (c) The Work Administrator shall by regulation pre-
7 scribe disqualifications, in such cases and under such condi-
8 tions as he finds will promote the purposes of this Act, for
9 leaving suitable work voluntarily and without good cause, for
10 failure to apply for suitable work, and for failure to accept
11 suitable work when offered. No such disqualification shall
12 be for a period of more than five weeks.

13 (d) No work shall be deemed suitable for the purposes
14 of this section, and benefits shall not be denied under this
15 Act to any otherwise qualified employee for refusing to
16 accept work if—

17 (1) the position offered is vacant due directly to
18 a strike, lock-out, or other labor dispute;

19 (2) the remuneration, hours, or other conditions of
20 work offered are substantially less favorable to the em-
21 ployee than those prevailing for similar work in the
22 locality, or the rate of remuneration is less than the
23 union wage rate, if any, for similar work in the locality;

24 (3) as a condition of being employed he would be
25 required to join a company union or to resign from or

1 refrain from joining any bona fide labor organization;

2 (4) acceptance of the work would require him to
3 engage in activities in violation of law or which, by
4 reason of their being in violation of reasonable require-
5 ments of the constitution, bylaws, or similar regulations
6 of a bona fide labor organization of which he is a mem-
7 ber, would subject him to expulsion from such labor
8 organization; or

9 (5) acceptance of the work would subject him to
10 loss of substantial seniority rights under any collective-
11 bargaining agreement between a bona fide labor organ-
12 ization and any other employer.

13 (e) In determining whether or not any work is suitable
14 for an employee for the purposes of this Act, the Work
15 Administrator shall consider, in addition to such other factors
16 as he deems relevant, (1) the current practice, recognized
17 by management and labor with respect to such work; (2)
18 the degree of risk involved to such employee's health, safety,
19 and morals; (3) his physical fitness and prior training; (4)
20 his experience and prior earnings; (5) his length of unem-
21 ployment and prospects for securing work in his customary
22 occupation; and (6) the distance of the available work
23 from his residence and from his most recent work.

24 (f) For the purposes of this Act, no voluntary leaving
25 of work shall be deemed to have been without good cause if

1 the Work Administrator finds that such work would not
2 have been suitable for the purposes of this section of this
3 Act.

4 (g) No payment shall be made under this section to
5 any person for any period for which he receives vocational
6 education or training allowance under this title.

7 (h) Any officer or agency of an employer, or any
8 employee representative, or any employee acting in his own
9 behalf, or any person whether or not of the character herein-
10 before defined, who shall willfully fail or refuse to make any
11 report or furnish any information required by the Work Ad-
12 ministrator in the administration of this title, or who shall
13 knowingly make or aid in making or cause to be made any
14 false or fraudulent statement or report when a statement or
15 report is required to be made for the purposes of this title, or
16 who shall knowingly make or aid in making or cause to be
17 made any false or fraudulent statement or claim for the pur-
18 pose of causing benefits or other payment to be made or not
19 to be made under this title, shall be punished by a fine of not
20 more than \$10,000 or by imprisonment not exceeding one
21 year, or both.

22 (i) Any person who violates any provision of this
23 title, the punishment for which is not otherwise provided,
24 shall be punished for each such violation by a fine of not

1 more than \$1,000 or by imprisonment not exceeding one
2 year, or both.

3 SEC. 410. (a) The following shall be eligible for the
4 "interim placement benefits" prescribed in section 409:

5 (1) Any ex-serviceman.

6 (2) Any person who within twelve months prior to
7 his first application for such benefits was employed—

8 (i) ninety days in a Federal agency;

9 (ii) ninety days as an officer or member of the
10 crew of a vessel on the navigable waters of the United
11 States, or

12 (iii) one hundred and eighty days in agricultural
13 labor.

14 (3) Any person who at the time of the first applica-
15 tion is a "qualified employee" as defined in section 3 of the
16 Railroad Unemployment Insurance Act, as amended.

17 (4) Any person who at the time of first application
18 for benefit would be eligible for unemployment compensa-
19 tion by virtue of his or her earnings under the laws of a
20 State, in "covered employment", if all other qualifications
21 were waived: *Provided, however,* That such State has ar-
22 ranged with the Work Administrator to pay and administer
23 the "interim placement benefits" prescribed in this title,
24 either by contract, or through the provisions of State law
25 or through such provision as the State or State unemploy-

1 ment compensation agency, may make effective as agent of
2 the Federal Government. For purposes of this subsection
3 “covered employment” shall include employment subject
4 to the unemployment compensation law of such State, and,
5 upon election by such State to administer, any or all of the
6 following classes of employment:

- 7 (i) in establishments of less than eight persons not
8 covered by a State unemployment compensation law,
- 9 (ii) in State and local governmental agencies,
- 10 (iii) in nonprofit organizations, and
- 11 (iv) in domestic work.

12 (5) Any person, in a State which has failed within six
13 months after the enactment of this Act to make an arrange-
14 ment in accordance with the preceding subsection, with
15 the Work Administrator, and who within twelve months
16 prior to his first application for such benefits had earned not
17 less than \$150 in employment covered by title II of the
18 Social Security Act (providing old-age and survivors in-
19 surance benefits) : *Provided*, That such person’s benefits shall
20 be subject to the reduction, in accordance with the regula-
21 tions of the Work Administrator, on account of any unem-
22 ployment compensation paid him or payable to him by a
23 State agency for the same period of unemployment.

24 (b) Payments of “interim placement benefits” to persons
25 in categories (1), (2), and (5) shall be made through such

1 agencies as the Work Administrator shall designate, includ-
2 ing any Federal agency and any State or State unemploy-
3 ment compensation agency, which has arranged to admin-
4 ister benefits to persons in category (4); payments to
5 persons in category (3) shall be made through the Railroad
6 Retirement Board; and payments to persons in category (4)
7 shall be made through the respective States which have
8 arranged with the Work Administrator to make such pay-
9 ments pursuant to section 410 (a).

10 (c) The Work Administrator shall from time to time
11 certify to the Secretary of the Treasury for payment to such
12 States or State unemployment compensation agencies as
13 administer the payment of benefits under this title pursuant
14 to this section, with respect to such periods as the payment
15 of such benefits is so administered, advances, grants, or
16 reimbursements, equal to all disbursements of benefits pur-
17 suant to this title, minus 50 per centum of the amount of
18 unemployment benefits that would have been payable had
19 this title not been enacted as determined under the unemploy-
20 ment compensation law of such State as of the date of the
21 enactment of this Act.

22 The Railroad Retirement Board shall from time to time
23 certify to the Secretary of the Treasury for payment to the
24 railroad unemployment insurance accounts in the unemploy-

1 ment trust fund the amounts by which payments by it under
2 this section exceed 50 per centum of the amounts which
3 would have been payable under the provisions of the Rail-
4 road Unemployment Insurance Act in effect at the time that
5 this Act was approved.

6 The Work Administrator shall certify from time to
7 time for payment to a State or State unemployment com-
8 pensation agency, or for credit to the Railroad Unemploy-
9 ment Insurance Administration fund such amounts as he
10 determines (i) are equal to administrative expenses thereto-
11 fore reasonably incurred by such State or the Railroad
12 Retirement Board in the administration of any of the pro-
13 visions of this title by arrangement with the Work Adminis-
14 trator, and (ii) have not been included in the basis of any
15 previous certification under this paragraph.

16 All persons otherwise eligible in accordance with this
17 title for "interim placement benefits" shall be eligible during
18 the period beginning thirty days after the day of enactment
19 of this Act until twenty-four months after the cessation of
20 hostilities: *Provided*, That such benefits shall be available
21 to a serviceman discharged from or relieved from service
22 after the termination of hostilities for a period of twenty-four
23 months following his discharge.

1 TITLE V—MISCELLANEOUS

2 SEC. 501. As used in this Act—

3 (a) “Government agency” means any executive depart-
4 ment, independent establishment, agency, commission, board,
5 bureau, division, administration, office, service, independent
6 regulatory commission or board, and any Government-owned
7 or Government-controlled corporation.

8 (b) “Surplus war property” and “surplus property”
9 mean any property, real or personal, including but not limited
10 to plants, facilities, equipment, machines, accessories, parts,
11 assemblies, products, commodities, materials, and supplies in
12 the possession of or controlled by any Government agency,
13 whether new or used, in use or in storage, which are in excess
14 of the needs of such agency or are not required for the per-
15 formance of the duties and functions of such agency and
16 which are determined, subject to the authority of the Office
17 of War Mobilization, to be surplus by such agency.

18 (c) “Disposal agency” means any Government agency
19 which has been assigned the operating function of disposing
20 of surplus war property by the Administration.

21 (d) “Tax-supported institution” means any scientific,
22 literary, educational, public health, or public welfare institu-
23 tion which is supported in whole or in part through the
24 use of funds derived from taxation by the United States,
25 the District of Columbia, or any State or any political sub-

1 division thereof, any Territory or possession of the United
2 States, or any political subdivision of any such Territory or
3 possession.

4 (e) "Disposal" means sale, conditional sale, or lease,
5 for cash, credit, or other property; donation; or any other
6 transfer.

7 (f) "Ex-servicemen" shall include all persons who
8 served in active duty in the military or naval forces of the
9 United States on or after September 16, 1940, and has been
10 relieved or discharged from such active duty on conditions
11 other than dishonorable.

12 (g) The term "State" shall include the several States,
13 the District of Columbia, and the Territories of Hawaii and
14 Alaska.

15 SEC. 502. There are authorized to be appropriated
16 such sums as may be necessary or appropriate to carry out
17 the purposes and provisions of this Act.

18 SEC. 503. The provisions of this Act shall become effec-
19 tive immediately, unless otherwise provided in the Act, and
20 unless otherwise provided shall be terminated twenty-four
21 months after the cessation of hostilities.

22 SEC. 504. If any provision of this Act, or the applica-
23 tion of such provision to any person or circumstance, is held
24 invalid, the remainder of this Act or the application of such

1 provision to persons or circumstances, other than those as
2 which it is held invalid, shall not be affected thereby.

3 "SEC. 505. This Act may be cited as the 'War Mobiliza-
4 tion Adjustment Act of 1944'."

78TH CONGRESS
2^D SESSION

S. 1893

A BILL

To provide for the establishment of an Office of
War Mobilization and Adjustment, and for
other purposes.

By Mr. KILGORE

MAY 4 (legislative day, APRIL 12), 1944
Read twice and referred to the Committee on Military
Affairs

78TH CONGRESS
2D SESSION

S. 2051

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 1944

Mr. GEORGE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Social Security Act, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) section 904 (a) of the Social Security Act, as
4 amended, is further amended by inserting, immediately be-
5 fore the period at the end of the second sentence of the
6 subsection, the following: "or deposited pursuant to appro-
7 priations to the Federal unemployment account".

8 (b) Section 904 (e) of the Social Security Act, as
9 amended, is further amended by inserting, after the words
10 "a separate book account for each State agency" the fol-
11 lowing: "the Federal unemployment account".

1 (c) Section 904 of the Social Security Act, as amended,
2 is further amended by adding, at the end of the section, the
3 following new subsections:

4 “(g) The Secretary of the Treasury is authorized and
5 directed, prior to audit or settlement by the General Ac-
6 counting Office, to make transfers to and from the Federal
7 unemployment account and the account of any State in
8 the unemployment trust fund in accordance with certifica-
9 tion made by the Board pursuant to section 1201, not ex-
10 ceeding the amount on deposit in the Federal unemployment
11 account at the time of such transfer.

12 “(h) There is hereby authorized to be appropriated
13 to a Federal unemployment account in the unemployment
14 trust fund a sum equal to the excess of taxes collected prior
15 to July 1, 1943, under title IX of this Act and under the
16 Federal Unemployment Tax Act over the total unemploy-
17 ment administrative expenditures made prior to July 1,
18 1943; and there is hereby authorized to be appropriated
19 to such account for the fiscal year 1945 and for each fiscal
20 year thereafter (1) a sum equal to any excess of taxes col-
21 lected in the preceding fiscal year under the Federal Unem-
22 ployment Tax Act over the unemployment administrative
23 expenditures made in such year, and (2) such further sums,
24 if any; as may be necessary to carry out the purposes of
25 section 1201. As used in this subsection, the term ‘unem-

1 ployment administrative expenditures' means expenditures
2 for grants under title III of this Act, for the administration
3 of that title by the Board, and for the administration of
4 title IX of this Act and of the Federal Unemployment Tax
5 Act by the Department of the Treasury and the Board. For
6 the purposes of this subsection there shall be deducted from
7 the total amount of taxes collected prior to July 1, 1943,
8 under title IX of this Act, the sum of \$40,561,886.43 which
9 was authorized to be appropriated by the Act of August 24,
10 1937 (50 Stat. 754)."

11 SEC. 2. The Social Security Act, as amended, is further
12 amended by adding at the end thereof the following new
13 titles:

14 "TITLE XII—LOANS TO STATE UNEMPLOYMENT
15 FUNDS

16 "SEC. 1201. (a) In the event that the balance in the
17 unemployment fund of a State on June 30, 1945, or on the
18 last day in any ensuing calendar quarter, does not exceed a
19 sum equal to the total contributions collected under the un-
20 employment compensation law of the State during the cal-
21 ender year immediately preceding such day, the State shall
22 be entitled, subject to the provisions of subsections (b) and
23 (c) hereof, to have transferred from the Federal Unemploy-
24 ment Account to its account in the Unemployment Trust
25 Fund an amount equal to the unemployment compensation

1 paid out by it in the calendar quarter following such day,
2 which is in excess of 2.7 per centum of the total wages, paid
3 during such quarter, subject to State law.

4 “(b) The Social Security Board is authorized and di-
5 rected, on application of a State agency, to make findings
6 as to whether the conditions for the transfer of moneys pro-
7 vided for in subsection (a) hereof have been met; and if
8 such conditions exist, the Board is directed to certify, to the
9 Secretary of the Treasury, from time to time, the amounts
10 for transfer in order to carry out the purposes of this title,
11 reduced or increased, as the case may be, by any sum by
12 which the Board finds that the amounts transferred for any
13 prior quarter were greater or less than the amounts to which
14 the State was entitled for such quarter. The application of
15 a State agency shall be made on such forms, and contain
16 such information and data, fiscal and otherwise, concerning
17 the operation and administration of the State law, as the
18 Board deems necessary or relevant to the performance of
19 its duties hereunder.

20 “(c) Any amount transferred to a State agency under
21 this section shall be treated as a loan to such State agency,
22 without interest, and shall be repaid by such State agency
23 from the unemployment fund of that State whenever the
24 fund of that State exceeds a sum equal to the total con-

1 tributions collected under the unemployment compensation
2 law of the State during the preceding calendar year.”

3 UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

4 SEC. 3. (a) The Social Security Act, as amended, is
5 further amended by adding at the end thereof the following
6 new title:

7 “TITLE XIII—UNEMPLOYMENT COMPENSATION
8 FOR FEDERAL EMPLOYEES

9 “SEC. 1301. (a) Any person who shall have rendered
10 service in the employ of the United States Government, or
11 of a wholly owned instrumentality of the United States
12 Government, after September 16, 1940, shall be entitled,
13 in accordance with the applicable provisions of the unem-
14 ployment compensation law of the State in which claim for
15 compensation is filed, to receive compensation for each week
16 of unemployment commencing after September 30, 1944,
17 in the same amounts, on the same terms, and subject to the
18 same conditions as though the unemployment compensation
19 law of the State did not exclude services performed in the
20 employ of the United States Government. Any claim for
21 compensation under this section shall be filed in any State,
22 Territory, or the District of Columbia, in which any part of
23 the service in the employ of the United States Government
24 was performed.

1 “(b) The Social Security Board is authorized on behalf
2 of the United States to enter into an agreement with any
3 State or with the unemployment compensation agency of
4 such State, under which such State agency will make, as the
5 agent of the United States, payments of unemployment com-
6 pensation to individuals with respect to services performed
7 by them as civilians in the employ of the United States Gov-
8 ernment, on the basis provided in subsection (a).

9 “(c) Each State shall be entitled to receive from the
10 United States for each quarter, beginning with the first
11 quarter commencing after enactment of this Act, an amount
12 equal to the total of all payments of unemployment compensa-
13 tion made by such State during such quarter, pursuant to an
14 agreement under this subsection.

15 “(d) In the event that any State does not agree to make
16 such payments to such persons, the Civil Service Commission
17 is hereby authorized and directed to make such payments.

18 “(e) All departments and agencies of the United States
19 are directed to make available to the appropriate State
20 agency such information with reference to compensation of
21 persons in the employ of the United States Government as
22 may be necessary to determine the benefits payable under
23 this title.”

24 SEC. 4. This Act, and the amendments to the Social
25 Security Act made thereby, shall cease to be effective at the

1 end of the second full calendar year after the termination of
2 hostilities in the present war as declared by Presidential
3 proclamation or concurrent resolution of the Congress, except
4 that the obligation of the State agencies to repay loans made
5 from the Federal unemployment account shall remain effec-
6 tive until such loans are repaid.

78TH CONGRESS
2D Session

S. 2051

A BILL

To amend the Social Security Act, as amended.

By Mr. GEORGE

AUGUST 1, 1944

Read twice and referred to the Committee on Finance

AMENDMENTS TO SOCIAL SECURITY ACT

AUGUST 3 (legislative day, AUGUST 1), 1944.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany S. 2051]

The Committee on Finance, to whom was referred the bill (S. 2051) to amend the Social Security Act, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments made by your committee embody no material changes in substance but are designed to clarify the bill and simplify its administration.

This bill was introduced to effectuate the recommendations of the Special Committee on Post-war Economic Policy and Planning as contained in the report of that committee dated June 23, 1944 (Rept. No. 539, pt. 5, 78th Cong., 2d sess.). A copy of that report is printed herewith as an appendix.

There has been much controversy as to whether the unemployment-compensation system should be Federalized or whether the prevailing system of State administration should continue. The Special Committee on Post-war Economic Policy and Planning held extensive hearings and had before it numerous proponents of both plans. Those hearings culminated in the report above mentioned. The testimony adduced was made available to this committee.

The committee concurs in the conclusions of the Post-war Committee that the administration of unemployment compensation laws should remain with the States and that the Congress should not interfere with State standards and State procedures.

This bill creates a Federal unemployment account, from which advances can be made to any State whose account in the unemployment trust fund becomes impaired. It provides for advances without interest, repayable whenever the unemployment account of the State becomes adequate for this purpose. This method of repayment makes the advance merely an obligation of the State unemployment account and avoids constitutional prohibitions against borrowing prevailing in many of the States.

The committee feels that it is very unlikely that the unemployment compensation funds of the various States will be inadequate but believes that every possible question as to their adequacy should be removed and feels that this bill accomplishes that purpose.

The bill also makes the same provision for unemployment compensation for Federal employees as they would have had if they had been in covered employment. The committee feels that this is a fair and proper extension of the unemployment compensation benefits. This provision makes applicable to Federal employees the benefits provided by the laws of the State in which they file their claim, to the same extent as if they had been in covered employment in that State. The entire cost of paying these benefits is to be borne by the Federal Government, but they may be administered by the States. Procedure for cooperative agreements with the States for carrying out these provisions is set up in the bill.

The Special Committee on Post-war Economic Policy and Planning also recommended that the Unemployment Tax Act be amended to provide for the imposition of unemployment taxes on employers of maritime workers and employers of one or more employees. As this legislation must originate in the House of Representatives, it is not included in S. 2051, but this committee concurs in the recommendation of the Special Committee on Post-war Economic Policy and Planning.

Public, 346 (the so-called G. I. bill) provides the necessary unemployment benefits for some 11,000,000 soldiers. More than 30,000,000 people are now covered under the State unemployment compensation laws.

The passage of this bill will make eligible for unemployment compensation approximately 3,500,000 additional workers. The carrying out of the tax recommendations of the Special Committee on Post-war Economic Policy and Planning would make unemployment compensation available for approximately 2,500,000 more workers.

Substantially all of the remaining workers would be agricultural workers, domestic servants, the self-employed, and employees of State and local governments. Up to this time it has not been deemed administratively practicable to cover the first three of these groups, although there is no inhibition on the States bringing them within their systems. The States also have authority to cover the State and local employees and the committee feels that it would be inappropriate for the Congress to force them to do so.

The committee, therefore, feels that the recommendations of the Special Committee on Post-war Economic Policy and Planning would make the unemployment compensation system thoroughly comprehensive and that those recommendations are sufficient to meet any unemployment situation likely to arise as a result of difficulties growing out of reconversion.

APPENDIX

[S. Rept. No. 539, Pt. 5, 75th Cong., 2d sess.]

POST-WAR ECONOMIC POLICY AND PLANNING

This committee has held extensive hearings on the subject matter of this report. Witnesses representing business and labor organizations and agriculture were heard. The unemployment-compensation directors of 16 States appeared before the committee.

The provisions of the bills now before the Senate dealing with the subject were carefully considered.

• THE UNEMPLOYMENT-COMPENSATION SYSTEM

When Congress passed the Social Security Act in 1935 it was felt that some incentive from the Federal Government was necessary in order to have unemployment-compensation systems established by all the States. That incentive took the form of a credit of as much as 2.7 percent for payments employers made under State unemployment-compensation laws against the 3-percent unemployment-compensation tax on pay rolls imposed by the Federal Unemployment Tax Act. It was also felt that differing conditions in different sections of the country made it very unwise to attempt to set up a Federal system, or to compel uniformity in the systems through Federal legislation.

The employers in each State pay taxes into the unemployment-compensation fund. The taxes from each State are segregated and constitute a fund used solely for the purpose of paying unemployment compensation within that State.

The system has been functioning in all of the States for about 8 years. There has been no serious criticism of the administration of the State laws. So far as the committee can ascertain, they have worked satisfactorily and smoothly.

THE SOLVENCY OF THE STATE FUNDS

As of May 14, 1944, the States had to their credit in the Treasury of the United States unemployment compensation funds which aggregated well in excess of \$5,000,000,000. The present funds are sufficient to pay benefits, at the prevailing averages, for the maximum durations provided by various State laws, to 60 percent of all the covered workers now employed.¹ At the present time these funds are growing at the rate of more than \$1,000,000,000 a year and if the war should continue through 1945, they would reach a total of \$7,000,000,000. There seems little likelihood of these funds being exhausted, under existing law, unless unemployment reaches an unprecedented high over a long period.

BENEFITS UNDER STATE LAWS

The various State laws provide for unemployment compensation payments of from 50 to 60 percent of regular wages, up to maximum payments ranging from \$15 to \$22 per week and for periods ranging from 14 to 24 weeks. Those benefits, both as to amount and duration, have been steadily increasing, under State enactments for the past 6 or 7 years, and there is every prospect that the trend toward improvement will continue. Furthermore, with wages at present increased by overtime payments, the average weekly benefits under unemployment compensation are rapidly approaching the maximum permitted payments in the various States. Steady employment now prevailing is also greatly increasing individual wage credits so that payments are approaching the maximum duration allowable.

By agreement the States have worked out provisions for pooling wage benefits so that a worker who moves from one State to another does not lose the benefits he has accumulated in the State of his previous residence. This makes the problem of migration of workers much less serious.

¹ Detailed table is attached as an appendix.

AMENDMENTS TO S. 1730; PROPOSED BY THE WAR CONTRACTS SUBCOMMITTEE OF THE MILITARY AFFAIRS COMMITTEE

The proposed amendments to S. 1730 provide for fixing the percentage of wages, the duration and the maximum benefits by Federal statute and compelling the States to meet those standards by withholding certification of State laws after December 31, 1945. This would have the effect of denying the 2.7 percent tax deduction within the States which did not meet such standards. The percentage, duration and maximum are not specified in the latest draft of these proposals.

Under these proposals, employers of one or more would be brought within the tax provisions of the act and benefits extended to their employees.

Federal Government employees would be covered, to be paid through the State system, with reimbursement to the States of the amount of payments made.

A reinsurance fund would be set up to reimburse the States for payments made to Federal employees and to supplement State funds whenever they fell below the preceding year's collections, in an amount equal to the compensation paid by it in excess of 2.7 percent of the total wages paid during a given quarter.

All administration would be through the State agencies.

S. 1893

This bill would set up a system of interim placement benefits administered by a Work Administrator. Those benefits would apply to ex-servicemen, Federal workers, maritime workers, agricultural workers, and employees covered by the Railroad Unemployment Insurance Act (a Military Affairs subcommittee print dated June 9, 1944, has eliminated agricultural labor).

It provides for payments to employees covered by the Railroad Unemployment Insurance Act through the Railroad Retirement Board and to the others through such agencies as the Work Administrator shall designate.

It also provides that if a State elects to administer interim placement benefits that they shall apply to all persons covered by the State unemployment compensation law, including, at the election of the State, employers of less than eight persons, employees of State and local government agencies, employees of non-profit organizations and domestic employees (a Military Affairs subcommittee print dated June 9, 1944, has omitted domestic employees).

If a State does not elect to administer the benefits, the provisions apply to everyone within that State who has earned not less than \$150 in employment covered by title II of the Social Security Act providing old-age and survivors insurance benefits, during the preceding 12 months.

If a State elects to administer benefits, it shall administer those covered by the Unemployment Compensation Act of the State and the Work Administrator may designate it to administer the benefits to others than railroad employees.

Broadly speaking, it covers anyone working for a livelihood.

The bill provides no limit to the number of weeks during which payment shall be made. It is to be effective 30 days from the date of its enactment and is to expire 24 months after the cessation of hostilities.

Payments are to be made to ex-servicemen at the rate of \$20 per week if the recipient has no dependents, \$25 a week, if he has one dependent, \$30 a week if he has two dependents, or \$35 a week if he has three or more dependents.

In the case of a civilian, the maximum benefit shall be 80 percent of his earnings, but not exceeding the amount payable to an ex-serviceman in the same situation as to dependents.

S. 1767

This bill, which has just passed the Congress, provides unemployment-compensation benefits to veterans, regardless of the number of dependents they may have, of \$20 a week, for a period of 52 weeks, within the 2 years following their discharge.

THE ARGUMENT FOR LARGER BENEFITS

There was much testimony before this committee that the benefits provided under State laws are inadequate, both as to amount and duration. There was equally strong testimony that those benefits are adequate.

This conflicting testimony was based on divergent philosophies as to the purpose of unemployment compensation.

The argument in favor of larger benefits and longer duration stems from the theory that the United States owes an obligation of support, at higher than subsistence standards, to anyone who is out of work. It is argued that the payment

of such benefits would support the purchasing power of the Nation and tend to support the entire economy.

The argument that the present benefits are adequate proceeded on the theory that unemployment compensation could and should provide the unemployed with a minimum standard of living during periods in which it was impossible to find work and that when those benefits began to approach, in amount, the wages that the recipient could earn, unemployment compensation defeated its purpose by encouraging idleness.

The proponents of more liberal benefits argue that the Government of the United States owes the same obligation of industrial rehabilitation to those who produced goods for war as it owes to the men in our armed forces.

It was contended that the profits of business had been underwritten by the carry-over and carry-back provisions of the Internal Revenue Act. Those provisions merely permit the averaging of tax liability over a longer period than 1 year. They make no provision for a guaranty against loss.

It was also contended that the profits of the American farmer were underwritten. In 1943 the total net agricultural income was 8.3 percent of the total national income. Compensation of employees was 71.1 percent of the national income. The assistance given to agriculture by the Congress was merely a measure of protection against rising wages.

It was argued before this committee that S. 1718, providing methods for the termination of war contracts and the clearing of war plants, was designed to benefit the employer and was in fact a bonus to business; that as a corollary, the employees should have a similar bonus in the form of increased unemployment compensation. S. 1718 was designed and intended as much to help the employee as it was to help the employer. Until contracts are terminated and plants cleared, the employees of those plants are without work. Providing jobs was implicit in S. 1718. It gave to the employer absolutely nothing to which he was not entitled as a matter of right. It was designed to provide that quickly so that he could get back to producing goods and providing jobs but it gave him nothing else.

The unemployment compensation directors of 16 States, from all sections of the country, testified before this committee. Without exception they insisted that the unemployment-compensation provisions in their States were adequate and that the benefits struck a proper balance, in the opinion of their State legislatures, between providing adequate subsistence benefits and at the same time making employment attractive. They pointed out the difficulties they encounter when unemployment benefits approach the amount obtainable through employment.

It should be borne in mind that when lay-offs come, most benefits are likely to be calculated on the basis of take-home wages made higher by overtime. If a man works 48 hours a week for 80 cents an hour, his wage is \$41.60. Based on that wage he would be entitled to the maximum benefit payable in any State. Yet, if his hours were cut to 40, his wage would be only \$32. At such a wage scale, he might draw more while unemployed under S. 1893 than he could earn for 40 hours' work. This would be equally true at any lower wage.

It is said that the requirement of registering for employment would prevent a choice between the two situations. In times of severe labor shortage, this probably would be true; but in anything less than full employment, it is the diligent who find jobs. One naturally not diligent certainly would not work 40 hours a week if S. 1893 were law.

CONCLUSIONS

This committee has repeatedly recorded itself as being opposed to any action that expands or tends to expand Federal authority in fields where that authority is not essential. It feels that those functions which the States can perform as well or better than they can be performed by the Federal Government should be left to the States. It is opposed to any contrary action, either temporary or permanent.

This committee refuses to predicate its plans for a post-war economy on the theory that any segment of the economy must be subsidized. It agrees with the State directors that there must be a definite and distinct financial advantage in employment, as against the benefits drawn on account of unemployment. With the benefits to soldiers fixed by S. 1767 at \$20 a week, the Congress would not be justified in exceeding this figure for civilians.

In the case of some of the individual States, the committee feels that the benefits might well be made somewhat higher, but it does not feel that this insufficiency warrants a breaking down of the State systems by setting up a Federal standard. It points out, however, that more adequate State benefits would do much to weaken the argument for federalization of the State systems and the committee respectfully recommends that the States survey their situations in the light of the generally increased wage scales and in the light of the greatly increased reserve funds.

The evidence before the committee leaves little doubt as to the adequacy of the unemployment compensation funds to meet any probable drain on them, but because of the dislocations caused by the war, the committee feels that this adequacy cannot be left to any possible chance. The impact of worker migration, for which the States are not responsible, will not hit each with equal severity. Furthermore, while as a national average maximum benefits could be paid from present funds to 60 percent of the covered workers now employed, the funds of several highly industrialized States are sufficient to pay benefits to only 38 or 39 percent of covered workers now employed. The committee, therefore, feels that it is right and proper that the Federal Government guarantee the solvency of the State unemployment funds to each State, provided those funds are distributed in strict accordance with State law, for the period of the transition.

The committee also feels that there should be brought under the State systems all classes of workers which, within the limits of administrative possibility, can be brought under them. It is believed impracticable to cover agricultural workers and domestic employees. Certainly, the Federal Government should not undertake to force State and local government employees under the act.

The committee is in favor of extending coverage to employers of one or more, instead of eight or more, as at present. It also feels that it should be extended to maritime workers of private shipping companies. These recommendations, however, can rightly be effectuated through the taxing laws and any legislation with reference to them must originate in the House of Representatives.

The committee feels that employees of the Government, including the War Shipping Administration, should be brought under the act. Government workers in arsenals and shipyards and in other Government agencies have worked and lived side by side with workers in private industry. The Government through its war contracts has paid the cost of the unemployment-compensation tax on those working for private war plants. The committee sees no reason why it should not pay it for those on its own pay roll. Many of these men gave up accumulated benefits under the State systems in order to take places in federally operated war plants and Federal war agencies, and they should be placed in the same position they would have enjoyed had they been engaged in war work for a private employer. It feels, however, that payments to Federal Government employees should be based on the laws of the States in which they live so that there would be no discrimination either for or against them, as compared to their neighbors. The committee believes that it would be inappropriate for the Federal Government to pay taxes to the States but that it could be handled by means of payments to the States of the amounts paid in unemployment-compensation benefits to Federal employees.

This committee, therefore, recommends that the unemployment compensation law be amended—

(1) To provide for payments to Federal workers through the State unemployment agencies and under the State laws;

(2) To guarantee the solvency of State unemployment compensation funds, through the setting up of a revolving loan fund, to make loans to the States at any time the compensation reserves of a State prove to be inadequate;

(3) That the Unemployment Tax Act be amended, through legislation initiated in the House of Representatives, to provide for the imposition of unemployment taxes on employers of maritime workers and employers of one or more employees.

If developments prove that the unemployment compensation system as now constituted is inadequate to take care of any situation that may arise in the future, steps can then be taken to supplement it, but the integrity of that system should be preserved unless any proposed change is demonstrated to be imperative.

APPENDIX

Data and estimates supplied by State unemployment compensation agencies (through May 25, 1944)

State	A	B	C	D	E	F	G	H
	Estimated number of covered workers currently employed, December 1943 (thousands)	State's unemployment compensation fund balance as of May 14, 1944 (thousands)	Law's maximum weekly benefit	Estimated average weekly check (late 1944)	Law's maximum duration (weeks)	Product of average check and maximum duration (D)×(E)	Number of workers who could be paid that amount from that fund (B)÷(F) (thousands)	Percent of covered workers who could be paid those average benefits, for that maximum duration, from that fund (G)÷(A)
Total, 50 States..	30, 435. 8	\$5, 285, 039	-----	-----	-----	-----	18, 502. 2	60. 7
Alabama.....	432. 0	¹ 51, 596	\$15	\$14	20	\$280	184. 2	42. 7
Alaska.....	² 35. 0	6, 950	16	15½	16	248	28. 0	² 80. 1
Arizona.....	95. 0	14, 440	15	14½	14	203	71. 1	74. 9
Arkansas.....	187. 3	22, 103	15	13	16	208	106. 2	56. 7
California.....	2, 259. 0	531, 706	20	18½	24	444	1, 197. 5	53. 0
Colorado.....	200. 0	76, 610	15	14	16	224	123. 2	61. 6
Connecticut.....	650. 0	138, 328	22	19	18	342	404. 4	62. 2
Delaware.....	100. 0	13, 069	18	16	20	320	40. 9	40. 9
Dist. Columbia.....	190. 0	40, 326	20	17	20	340	118. 6	62. 4
Florida.....	380. 0	39, 992	15	13	16	268	190. 3	50. 1
Georgia.....	500. 0	60, 353	18	15	16	240	251. 4	50. 3
Hawaii ³	75. 0	10, 883	18	15	17	255	42. 6	56. 9
Idaho.....	2, 185. 0	¹ 404, 423	20	17	20	340	1, 189. 4	54. 4
Illinois.....	874. 6	142, 865	18	16½	18	297	481. 0	55. 0
Iowa.....	288. 0	45, 725	15	11	15	165	277. 1	96. 2
Kansas.....	270. 0	39, 865	15	14	16	224	177. 9	65. 9
Kentucky.....	309. 4	70, 256	16	12	20	240	292. 7	94. 6
Louisiana.....	405. 0	55, 306	18	16	20	320	172. 8	42. 7
Maine.....	182. 0	27, 200	18	13	16	208	130. 7	71. 9
Maryland.....	563. 0	97, 000	20	18	23	414	234. 3	41. 8
Massachusetts.....	1, 400. 0	183, 338	18	17	20	340	539. 2	38. 5
Michigan.....	1, 571. 8	233, 185	20	19	20	380	613. 6	39. 0
Minnesota.....	453. 0	62, 900	20	15	16	240	262. 0	57. 9
Mississippi.....	200. 0	17, 624	15	11½	14	161	109. 4	54. 7
Missouri.....	747. 3	124, 529	18	16½	16	264	471. 7	63. 1
Montana.....	80. 0	13, 358	15	13	16	208	64. 2	80. 3
Nebraska.....	142. 5	20, 302	15	13½	16	216	93. 9	65. 9
Nevada.....	38. 0	7, 722	15	14½	18	261	29. 5	77. 9
New Hampshire.....	110. 0	17, 608	18	14	18	252	69. 8	63. 5
New Jersey.....	1, 300. 0	¹ 328, 076	18	15	18	270	1, 215. 0	93. 5
New Mexico.....	56. 0	7, 470	15	12	16	192	38. 9	69. 5
New York.....	3, 906. 1	723, 762	18	16	20	320	2, 261. 7	57. 9
North Carolina.....	581. 0	80, 100	15	10	16	160	500. 6	86. 2
North Dakota.....	31. 0	4, 062	15	12	16	192	21. 1	68. 2
Ohio.....	2, 050. 0	¹ 364, 152	16	15	18	270	1, 348. 7	65. 8
Oklahoma.....	275. 0	38, 134	16	14	16	224	170. 2	61. 9
Oregon.....	316. 3	52, 270	15	14½	16	232	225. 3	71. 2
Pennsylvania.....	2, 625. 0	517, 418	18	16	16	256	2, 021. 1	77. 0
Rhode Island.....	239. 5	55, 513	18	16½	20	330	168. 2	70. 2
South Carolina.....	276. 0	30, 300	15	12	16	192	157. 8	57. 1
South Dakota.....	38. 1	5, 520	15	12	16	192	28. 7	75. 4
Tennessee.....	480. 0	58, 259	15	12	16	192	303. 4	63. 2
Texas.....	1, 063. 9	123, 696	15	12½	16	200	618. 4	58. 1
Utah.....	115. 0	19, 244	20	18½	20	370	52. 0	45. 2
Vermont.....	60. 0	9, 738	15	13	18	234	41. 6	69. 4
Virginia.....	450. 0	52, 302	15	11	16	176	297. 1	66. 0
Washington.....	569. 0	¹ 104, 452	15	14½	16	232	450. 2	79. 1
West Virginia.....	375. 0	54, 037	18	15½	16	248	217. 8	58. 1
Wisconsin.....	650. 0	130, 112	20	17½	20	350	371. 7	57. 2
Wyoming.....	² 58. 5	6, 230	20	17	16	272	22. 9	² 39. 2

¹ As of Apr. 30, 1944.

² Apparently based on cumulative, rather than December 1943, figures. ("Spot" figures for Wyoming: Column A, 39.4; column H, 58.1.)

³ Data not available by May 25, 1944.

SOLVENCY OF STATE UNEMPLOYMENT COMPENSATION FUNDS AS OF MAY 15, 1944

The above table, which is based on State figures and estimates, throws some light on the ability of the several State unemployment compensation funds to pay the benefits promised by the respective State laws. These figures are similar to older (June 30) data released by the Bureau of Employment Security of the Social Security Board, on November 27, 1943.

The figures shown are the latest available State estimates of this kind. They are based on:

- (a) The number of covered workers currently employed as of late December 1943;
- (b) The State unemployment funds available as of May 14, 1944;
- (c) The benefit provisions of State laws, as of May 15, 1944; and
- (d) Each State's estimate as to its probable average benefit check ("per week of total unemployment, for late 1944, assuming that many war-production workers might then be drawing benefits").

As a very rough indicator of how heavy a percentage of unemployment each State could have, and still pay its promised benefits:

(1) The State's estimated average weekly check was first multiplied by its maximum duration, to arrive at a rough (possible) total amount of benefits per worker, which might have to be paid to an individual claimant.

(2) Assuming that such a total amount were in fact paid out to each unemployed claimant, then: To what percent of all covered workers could that much be paid before exhausting the State's fund?

(3) To answer that question, the fund's May 14, 1944, balance was divided by the above total amount "per worker," thereby showing to how many workers the fund (as of that date) could pay that amount.

(4) The resulting number of workers was stated as a percentage of all covered workers (currently employed as of late December 1943).

So the last column of figures roughly suggests how heavy a percentage of unemployment each State could have, and still pay in full the benefits promised by its present law from the funds it already has on hand (as of May 14, 1944).¹

¹ (1) Two main factors tend to make these percentages (in column H) rather conservative.

(a) Each State fund will have a considerably higher balance—than it now has—before much readjustment unemployment occurs; and

(b) Not all benefit claimants will receive the law's "maximum" duration.

(2) On the other hand, the number of covered workers "currently employed as of late December 1943" is lower than the cumulative number employed within a year, and does not include all potential claimants having some benefit rights.

(3) Please note, finally, that these figures are not "predictions," in any way, as to how much unemployment will in fact occur.

Calendar No. 1052

78TH CONGRESS
2D SESSION

S. 2051

[Report No. 1035]

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 1944

Mr. GEORGE introduced the following bill; which was read twice and referred to the Committee on Finance

AUGUST 3 (legislative day, AUGUST 1), 1944

Reported by Mr. GEORGE, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Social Security Act, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 904 (a) of the Social Security Act, as
4 amended, is further amended by inserting, immediately be-
5 fore the period at the end of the second sentence of the
6 subsection, *a comma and* the following: "or deposited pur-
7 suant to appropriations to the Federal unemployment
8 account".

9 (b) Section 904 (e) of the Social Security Act, as
10 amended, is further amended by inserting, after the words
11 "a separate book account for each State agency" *a comma*

1 *and the following: "the Federal unemployment ~~account~~*
2 *account,".*

3 (c) Section 904 of the Social Security Act, as amended,
4 is further amended by adding, at the end of the section, the
5 following new subsections:

6 " (g) The Secretary of the Treasury is authorized and
7 directed, prior to audit or settlement by the General Ac-
8 counting Office, to make transfers to and from the Federal
9 unemployment account and the account of any State in
10 the Unemployment Trust Fund in accordance with certifica-
11 tion made by the Board pursuant to section 1201, not ex-
12 ceeding the amount on deposit in the Federal unemployment
13 account at the time of such transfer.

14 " (h) *There is hereby established in the Unemployment*
15 *Trust Fund a Federal unemployment account.* There is
16 hereby authorized to be appropriated to ~~a~~ *such* Federal unem-
17 ployment account ~~in the unemployment trust fund~~ a sum
18 equal to the excess of taxes collected prior to July 1, 1943,
19 under title IX of this Act and under the Federal Unemploy-
20 ment Tax ~~Act~~ *Act*, over the total unemployment adminis-
21 trative expenditures made prior to July 1, 1943; and there
22 is hereby authorized to be appropriated to such account for
23 the fiscal year 1945 and for each fiscal year thereafter (1)
24 a sum equal to any excess of taxes collected in the preceding
25 fiscal year under the Federal Unemployment Tax Act over

1 the unemployment administrative expenditures made in such
 2 year, and (2) such further sums, if any, as may be neces-
 3 sary to carry out the purposes of ~~section 1201~~ *titles XII and*
 4 *XIII*. As used in this subsection, the term 'unemployment
 5 administrative expenditures' means expenditures for grants
 6 under title III of this Act, for the administration of that title
 7 by the Board, and for the administration of title IX of this
 8 Act and of the Federal Unemployment Tax Act by the De-
 9 partment of the Treasury and the Board. For the purposes
 10 of this subsection there shall be deducted from the total
 11 amount of taxes collected prior to July 1, 1943, under title
 12 IX of this Act, the sum of \$40,561,886.43 which was au-
 13 thorized to be appropriated by the Act of August 24, 1937
 14 (50 Stat. 754)."

15 SEC. 2. The Social Security Act, as amended, is further
 16 amended by adding at the end thereof the following new
 17 titles:

18 "TITLE XII—~~LOANS~~ *ADVANCES* TO STATE
 19 UNEMPLOYMENT FUNDS

20 "SEC. 1201. (a) In the event that the balance in the
 21 unemployment fund of a State on June 30, 1945, or on the
 22 last day in any ensuing calendar quarter, does not exceed a
 23 sum equal to the total contributions collected under the un-
 24 employment compensation law of the State during the cal-
 25 endar year ~~immediately~~ *next* preceding such day, the State

1 shall be entitled, subject to the provisions of subsections (b)
2 and (c) hereof, to have transferred from the Federal unem-
3 ployment account to its account in the Unemployment Trust
4 Fund an amount equal to the unemployment compensation
5 paid out by it in the calendar quarter following such day,
6 which is in excess of 2.7 per centum of the total ~~wages~~
7 *remuneration*, paid during such quarter, subject to State law.

8 “(b) The Social Security Board is authorized and di-
9 rected, on application of a State *unemployment compensation*
10 agency, to make findings as to whether the conditions for
11 the transfer of moneys provided for in subsection (a) hereof
12 have been met; and if such conditions exist, the Board
13 is directed to certify, to the Secretary of the Treasury, from
14 time to time, the amounts for transfer in order to carry
15 out the purposes of this title, reduced or increased, as the
16 case may be, by any sum by which the Board finds that
17 the amounts transferred for any prior quarter were greater
18 or less than the amounts to which the State was entitled
19 for such quarter. The application of a State agency shall
20 be made on such forms, and contain such information and
21 data, fiscal and otherwise, concerning the operation and
22 administration of the State law, as the Board deems neces-
23 sary or relevant to the performance of its duties hereunder.

24 “(c) Any amount transferred to a State agency the
25 account of any State under this section shall be treated as

1 ~~a loan to such State agency~~ *an advance*, without interest,
 2 *to the unemployment compensation agency of such State* and
 3 shall be repaid by such State agency *to the Federal unem-*
 4 *ployment account* from the unemployment fund of that State
 5 ~~whenever~~ *to the extent that* the fund of that State, *at the*
 6 *end of any calendar quarter*, exceeds a sum equal to the
 7 total contributions collected under the unemployment com-
 8 pensation law of the State during the preceding calendar
 9 year.”

10 UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

11 SEC. 3. (a) The Social Security Act, as amended, is
 12 further amended by adding at the end thereof the following
 13 new title:

14 “TITLE XIII—UNEMPLOYMENT COMPENSATION 15 FOR FEDERAL EMPLOYEES

16 “SEC. 1301. (a) Any person who shall have rendered
 17 service *as a civilian* in the employ of the United States Gov-
 18 ernment, ~~or of a wholly owned instrumentality of the United~~
 19 ~~States Government~~, after September 16, 1940, shall be
 20 entitled, in accordance with the applicable provisions of the
 21 unemployment compensation law of the State in which claim
 22 for compensation is filed, to receive compensation for each
 23 week of unemployment commencing after September 30,
 24 1944, in the same amounts, on the same terms, and subject

1 to the same ~~conditions~~ *conditions*, as though the unemployment
 2 compensation ~~law of the State~~ *laws of the several States* did
 3 not exclude services performed in the employ of the United
 4 States Government. Any claim for compensation under this
 5 section shall be filed in ~~any a State, Territory, or the District~~
 6 ~~of Columbia,~~ in which ~~any a~~ part of the service in the employ
 7 of the United States Government was performed. *As used*
 8 *in this section, the term 'United States Government' includes*
 9 *any wholly owned instrumentality of the United States.*

10 “(b) The Social Security Board is authorized on behalf
 11 of the United States to enter into an agreement with any
 12 State or with the unemployment compensation agency of
 13 such State, under which such State agency will make, as the
 14 agent of the United States, payments of unemployment com-
 15 pensation to individuals with respect to services performed
 16 by them as civilians in the employ of the United States Gov-
 17 ernment, on the basis provided in subsection (a).

18 “(c) Each State shall be entitled to receive from the
 19 ~~United States~~ *Federal unemployment account* for each quar-
 20 ter, beginning with the first quarter commencing after
 21 enactment of this Act, an amount equal to the total of all
 22 payments of unemployment compensation made by such
 23 State during such quarter, pursuant to an agreement under
 24 this ~~subsection~~ *section*.

25 “(d) In the event that any State does not agree to

1 make such payments to such persons, the Civil Service
2 Commission is hereby authorized and directed to make such
3 payments.

4 “(e) All departments ~~and agencies~~, agencies, and in-
5 strumentalities of the United States are directed to make
6 available to the appropriate State agency such information
7 with reference to compensation of persons in the employ
8 of the United States Government as may be necessary to
9 determine the benefits payable under this title.”

10 “(f) *In case of an agreement under this section that a*
11 *State agency will make payments as agent of the United*
12 *States, there shall be paid in advance to the State such sum*
13 *as the Board estimates the State will be entitled to receive*
14 *for each quarter under such section; reduced or increased, as*
15 *the case may be, by any sum by which it finds that its esti-*
16 *mate for any prior quarter was greater or less than the*
17 *amount which should have been paid to the State. All money*
18 *paid to a State under this subsection shall be used solely for*
19 *the payment of unemployment compensation. Any money*
20 *so paid to a State which is not used for the purpose for which*
21 *it was paid shall, upon termination of the agreement, be*
22 *returned to the Treasury.*

23 “(g) *Determinations of entitlement to unemployment*
24 *compensation made by a State agency under an agreement*
25 *that such agency will act as agent of the United States*

1 under this section shall be subject to review in the same man-
2 ner and to the same extent as determinations under the State
3 unemployment compensation law, and only in such manner
4 and to such extent. Such an agreement may require any
5 officer or employee of the State disbursing funds pursuant
6 to the agreement or otherwise participating in its perform-
7 ance to give a surety bond to the United States in such amount
8 as the Board may deem necessary, and may provide for pay-
9 ment of the cost of such bond from appropriations for carry-
10 ing out the purpose of this Act.

11 “(h) The Board shall from time to time certify to the
12 Secretary of the Treasury for payment to each State the
13 sums payable to it under this section. The Secretary of the
14 Treasury, through the Fiscal Service of the Treasury De-
15 partment, and prior to audit or settlement by the General
16 Accounting Office, shall make payment in accordance with
17 such certification.”

18 SEC. 4. This Act, and the amendments to the Social
19 Security Act made thereby, shall cease to be effective at the
20 end of the second full calendar year after the termination of
21 hostilities in the present war as declared by Presidential
22 proclamation or concurrent resolution of the Congress, except
23 that the obligation of the State agencies to repay ~~loans~~
24 advances made from the Federal unemployment account
25 shall remain effective until such ~~loans~~ advances are repaid.

1 *Any amounts so repaid after the end of such year, and any*
2 *amounts in the Federal unemployment account at the end of*
3 *such year, shall be covered into the general fund of the*
4 *Treasury.*

78TH CONGRESS
2^D Session

S. 2051

[Report No. 1035]

A BILL

To amend the Social Security Act, as amended.

By Mr. GEORGE

AUGUST 1, 1944

Read twice and referred to the Committee on Finance

AUGUST 3 (legislative day, AUGUST 1), 1944

Reported with amendments

WAR MOBILIZATION AND POST-WAR ADJUSTMENT

AUGUST 5, 1944.—Ordered to be printed

Mr. MURRAY (for himself and Mr. KILGORE), from the Committee on Military Affairs, submitted the following

REPORT

[To accompany S. 2061]

The Committee on Military Affairs, report favorably a bill (S. 2061) to provide a national program for war mobilization and post-war adjustment, and recommend that the bill do pass.

The objectives of this bill are the following (sec. 101):

(a) To facilitate maximum war production during the war and to expedite the transition from war to peace;

(b) To achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of the transition from war to peace, and thereafter; and

(c) To provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

The principal provisions of the bill and the need for their enactment as considered by the Military Affairs Committee are set forth in the following summary. To this is appended the majority report of Senators Murray and Truman of the War Contracts Subcommittee in reporting this legislation favorably to the full committee:

TITLE I—GENERAL PROVISIONS

The recommended legislation creates the Office of War Mobilization and Adjustment to be headed by a Director who is to be appointed for a term of 2 years by the President, by and with the advice and consent of the Senate. The Director is to be assisted by a Deputy Director who is to head the Division of Programs and Projects and who likewise is appointed for a term of 2 years by the President, by and with the advice and consent of the Senate (sec. 102 a and b).

It is the function of the Director with the assistance of the Deputy Director to (sec. 102 c)—

- (1) Formulate plans for war mobilization and post-war adjustment.
- (2) Issue directives to other Government agencies on such plans.

(3) Where necessary recommend legislation to give additional powers to agencies to carry out such plans.

(4) Keep each Government agency informed of plans of other Government agencies; settle controversies between Government agencies.

(5) Study need for elimination of war agencies or reestablishment of some of them on a permanent statutory basis.

(6) Study the consolidation of all governmental manpower functions to the greatest extent practicable.

(7) Review need for and eliminate regulations which hinder full employment and are no longer necessary for war purposes.

(8) Consult and cooperate with State and local governments, industry, labor, and agricultural groups.

(9) Submit quarterly reports to Congress on his activities.

The committee feels that it is necessary that there be a single office with adequate authority to harmonize the activities and programs of the several Federal agencies concerned with the problems of war mobilization and reconversion. The recommended legislation does not extend into the post-war period the extraordinary war powers of the President but merely subjects to the review and coordination of the Director the exercise of powers currently vested in the various departments and agencies.

The Office of the Director is to function as a policy-making and not as an operating agency, and the Director is required to perform his duties to the fullest extent practicable through the facilities and personnel of existing Federal agencies (sec. 102d).

It is the function of the Deputy Director as head of the Division of Programs and Projects to provide the Director with adequate information on current and projected activities and to project plans and programs to be put into effect by the Director to carry out the objectives of the act.

A National Production and Employment Board is created to review the programs and activities of the Director and other Government agencies, and to make recommendations to the President, the Congress, and the Director with respect to war mobilization and post-war adjustment. The Board is to consist of three representatives each of industry, labor, and agriculture and one public member who is to be chairman. All members are to be appointed by the President, with the advice and consent of the Senate. Facilities are provided for the Board to obtain information necessary to discharge its review and recommending functions. The Director is required to establish industry and area advisory councils similar in composition to the National Production Employment Board. To safeguard against possible misuse of these advisory councils for price-fixing or other restrictive purposes, full information on all such councils shall be submitted to the Attorney General and any activities which the Attorney General certifies to the Director tend to promote restraint of trade or the extension of monopoly, shall be discontinued (sec. 103).

The committee believes that the full cooperation of the principal economic groups of the country is necessary if the objectives of full employment and full production are to be achieved during the transition period from war to peace. Through the establishment of the Board and of area and industry advisory councils, the Director and Government agencies operating under his direction, will be afforded the advice and cooperation of these groups on both a national and local basis.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

Title II sets forth specific policies to be followed in cutting back war production and resuming peacetime civilian production.

The Chairman of the War Production Board, subject to the control of the Director, is required to establish policies and procedures to synchronize the resumption of peacetime civilian production with the curtailment of military production. To assist him in this function, the Chairman of the War Production Board is required to establish a Production Adjustment Committee which shall consist of representatives of the procurement agencies and such other agencies as the Director may designate.

Your committee agrees that it is the responsibility of Congress to lay down certain basic principles and policies which are to be followed by the executive agencies when these affect the economic destiny of the Nation, and to provide by statute for the effective coordination of the executive departments and agencies concerned with military and civilian production. The bill provides that—

(1) War contracts are not to be continued merely for the purpose of providing business and employment.

(2) Initiation of civilian production shall be permitted as soon as and to the extent that materials and manpower are no longer needed for war purposes.

(3) Small plants shall be assured of a fair share of the available supply of scarce materials during the period of reconversion.

(4) To further protect small business the Attorney General is directed to make surveys of factors which eliminate competition and injure small business during the period of transition from war to peace.

TITLE III—RETRAINING AND REEMPLOYMENT OF WAR WORKERS AND RETURNING SERVICEMEN

Title III creates by statute the Retraining and Reemployment Administration to be headed by a Work Administrator who is to be appointed by the President, by and with the advice and consent of the Senate. The Work Administrator is to establish a unified reemployment program covering the recruitment, training, transfer, and placement of returning servicemen and workers in war and civilian production. He is to be advised by a committee representing the principal agencies concerned with manpower and is to be furnished with such information as he may require from the armed services and the War Production Board and other agencies on the schedule of military and industrial manpower demobilization (secs. 302-304).

The committee believes that it is essential to lodge these coordinating powers in the hands of a single policy-making agency in order to achieve the stated objectives of this title, which are (sec. 301)—

1. To mobilize effectively the Nation's manpower for the war.

2. To maintain full employment in the transition from war to peacetime production.

3. To provide the necessary training and assistance to ex-servicemen and war workers.

The United States Employment Service is continued on a national basis for 2 years after the termination of hostilities (sec. 306b). The committee believes that in view of the great shifts of population during

the war, it will be necessary to have a national system of locating employment opportunities in order that persons may be reemployed as rapidly as possible.

The Work Administrator is authorized to pay the cost of transportation of workers and their families from their last previous residence, where no jobs are available, to other localities, where jobs exist (sec. 306a).

The Work Administrator is authorized to provide free education or training of not more than 6 months when he determines this necessary in order to give effect to the objectives of this title. Persons receiving training are entitled to a maintenance allowance of \$50 to \$100 a month, according to the number of dependents (sec. 307).

The opportunity for training and employment authorized here is intended in the national interest to prepare the unemployed for available jobs requiring special skills. This is essential to achieve the objective of full employment during periods of high productivity and changing patterns of industrial job opportunities.

The Mustering-Out Payment Act of 1944 is amended by providing for monthly installment payments of \$100 to \$150 according to the number of dependents. Veterans are entitled to two installments plus an additional installment for each year of service and an additional installment in the case of overseas service (sec. 308).

The committee believes that returning veterans should be allowed a period of economic security during which they may make a readjustment to civilian life.

Every unemployed worker is entitled to unemployment benefits for the full duration of his unemployment during the period beginning 90 days after the enactment of this title and ending 2 years after the termination of hostilities. The benefits in the case of ex-servicemen are \$20 if the serviceman has no dependents, \$25 if he has one dependent, \$30 if he has two, and \$35 if he has three or more dependents. For persons other than ex-servicemen, the benefits are to be computed at 75 percent of the weekly wage during a base period, but not to exceed in any event the corresponding benefits for ex-servicemen (sec. 309).

No person is entitled to receive unemployment benefits if he leaves work without good cause or is discharged for misconduct or fails to accept suitable work or leaves work because of a strike or knowingly makes a false or fraudulent statement for purposes of receiving benefits. The period of disqualification in such cases is limited to 5 weeks. The bill specifies what work shall be deemed suitable for purposes of disqualification (sec. 309).

The States are to administer the benefits but if a State refuses to do so, a Federal agency may administer them. The Railroad Retirement Board administers benefits to workers now within its jurisdiction. The Work Administrator is to establish an appellate procedure to hear cases where claims for interim placement benefits have been denied (sec. 310).

The general effect of these sections of this title is to provide for a national standard scale of unemployment benefits which is to be administered by the existing State agencies. The States are to be reimbursed by the Federal Government for any difference in payments between those which they would have made under the State law existing at the time of the enactment of the title and the amounts paid under the national standard.

In recommending these provisions, the committee believes that it is essential that unemployment benefits be adequate to maintain a decent subsistence for the individual worker and his dependents, and holds that the purchasing power provided will be a prime factor in preventing a spiral of depression. The committee believes that in the long run, the amount of money paid in unemployment benefits will be less than if lower benefits were paid and purchasing power of the unemployed was substantially destroyed, contributing to a depression.

The scale of benefits for the civilian worker has been set as a proportion of his weekly wage so as not to alter through unemployment benefits the existing wage pattern. The ceiling on benefits of civilian workers has been placed at the level of the standard payments to veterans.

It would be possible for Congress by legislation to require the States to pay these higher benefits to persons now covered by unemployment insurance out of their present reserves. Such action would seem arbitrary, however, since these reserves were built up on the basis of existing State law.

The unemployment which appears during the transition period from war to peace will be the inevitable result of the cancelation of Government contracts. These dislocations in job opportunities are a necessary part of the national war effort. In drafting these provisions the committee has been careful not to federalize existing State unemployment compensation systems. A period up to 2 years after the war is provided during which the committee believes the States may well prove their ability to provide adequate benefits from State funds through local machinery which is preserved by this recommended legislation.

TITLE IV—HOUSING AND PUBLIC WORKS

The Administrator of the National Housing Agency is directed to survey national housing needs and develop programs for meeting such needs through private housing and through research and technical assistance given to private housing.

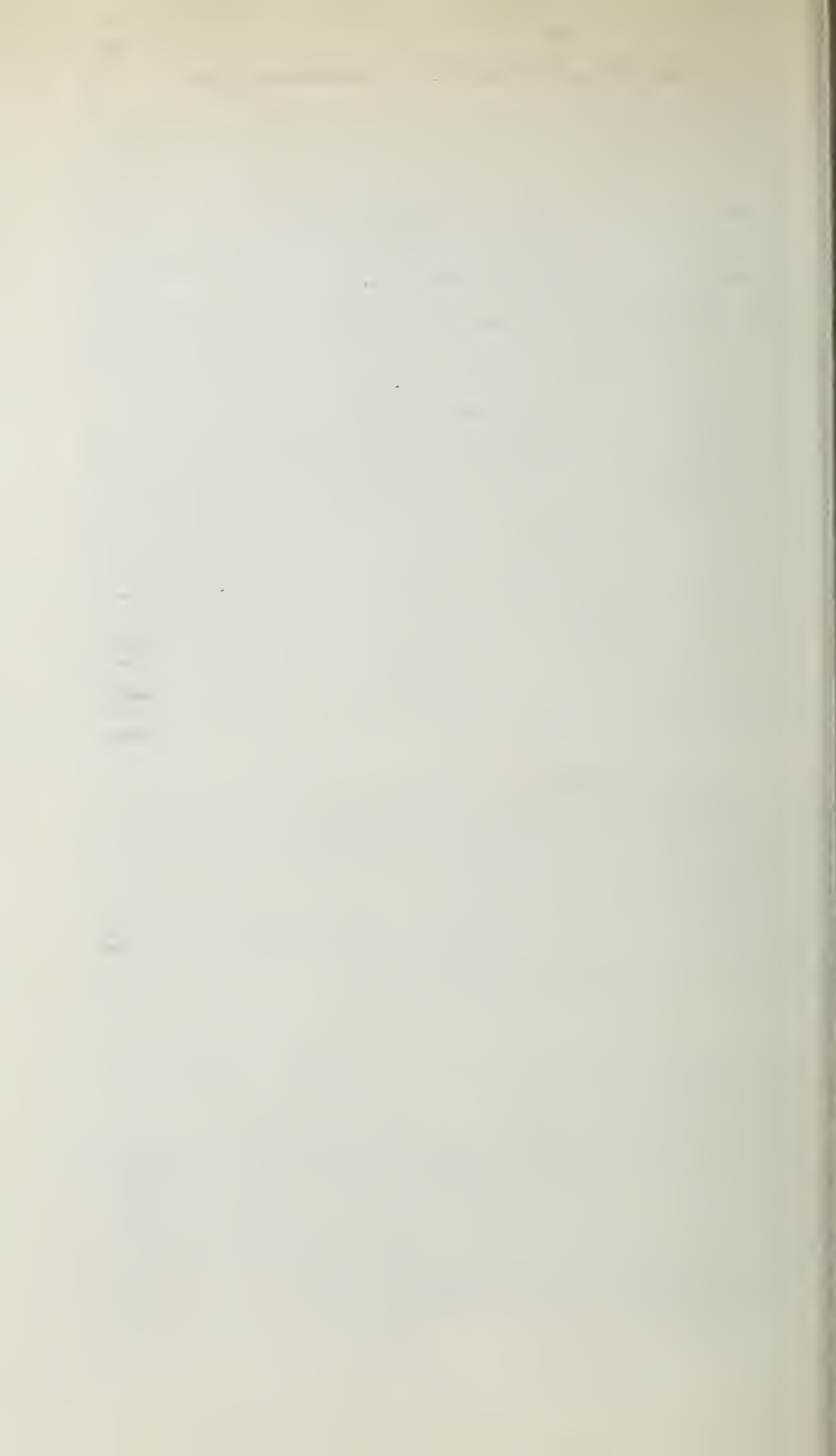
The Federal Works Administration is authorized to make loans to States and local governments for the purpose of allowing them to draw up plans for public works. This does not commit the Federal Government to finance the carrying out of such plans.

TITLE V—MISCELLANEOUS PROVISIONS

Title V contains definitions applicable to previous titles. It further provides that the expiration date of the act shall be 24 months after the termination of the war.

When the Director of War Mobilization and Adjustment is first appointed, the Office of War Mobilization established by Executive order shall cease to exist, and all records and property of that office shall be transferred to the Office of Mobilization and Adjustment. All orders and directives prescribed by the Director of War Mobilization, in effect upon the effective date of the act and not inconsistent therewith, shall remain in full force and effect unless and until superseded by the Director, in accordance with the act.

The short title of the bill is "War Mobilization and Adjustment Act of 1944".



APPENDIX

REPORT ON WAR MOBILIZATION AND POST-WAR ADJUSTMENT SUBMITTED ON AUGUST 2, 1944, BY SENATORS MURRAY AND TRUMAN TO THE SENATE MILITARY AFFAIRS COMMITTEE

As Congress reconvenes after the recess, it is clear that we need early passage of legislation to provide a national program for preparing post-war adjustment while war mobilization is being maintained.

In the 6 weeks since Congress recessed, much has happened abroad to bring nearer the end of the war. The landing in France has been consolidated, the Italian front has moved rapidly northward, the Japanese Cabinet has fallen from the mighty blows of the United States Fleet, Air Forces, Marines, and Army upon Japan's armed forces. The Russian Army continues to move toward Berlin with giant strides. And, above all, Hitler has admitted dissension between the Wehrmacht and the Nazi Party.

A German collapse may be some time away, but Congress cannot gamble the post-war safety of the American economy upon such an eventuality. On the contrary, all of us must pray and work for the speediest possible end to that theater of the war. If we are serious in professing our hope for an early collapse, we must seriously prepare for it.

We are entering the most difficult period in war production. This is that time when the program most needs to be held in balance. The war against Japan will require the best efforts of the country for an indeterminate period ahead. Meanwhile, mounting unemployment of at least a temporary character is bound to accompany cut-backs of war goods ordered for the European front. Producers of civilian goods who are also war producers will many of them be straining at the leash to get back into peacetime operations. These problems taken together will confront the Office of War Mobilization with its most serious challenge to date.

The subcommittee advocates that the Military Affairs Committee act as soon as possible to report out a bill for war mobilization and post-war adjustment. It is our view that these matters cannot wait until after the national election for action. They are nonpartisan in character and should be regarded as deserving support from all groups in the community.

It is the assured conviction of the subcommittee that there is not at the present time any real comprehension on the part of the general public and perhaps an insufficient realization by Congress itself of the magnitude of the job ahead. Indeed, the subcommittee cannot sufficiently convey its own alarm at the impending situation.

We attribute the dangerous situation now developing directly to the hazards of war. A war economy is like nothing else in modern economic life. In the defense of our country we have been able to tap unlimited resources, and to use these funds to mobilize the entire economy for maximum war production. In this process we have discovered unimagined productive capacity. To harness this capacity and redirect it to peacetime production we shall need a display of cooperation between private groups and of these groups with the Federal Government such as was unknown before the war.

To translate this into action will be a statesmanlike accomplishment of the first magnitude. It means finding an economic substitute for war. In the estimation of this subcommittee such a substitute can only be found in a program for the redevelopment of the face of America. It calls for the development, community by community, of local plans for community betterment and the compounding of these plans into a national program. This means the lifting of our national sights to new production goals. This subcommittee is sure it can be done but only with the active cooperation of Congress. In our view it must be begun immediately and pursued with the utmost vigor.

The subcommittee, after extensive hearings and investigations, accordingly reports herewith to the Military Affairs Committee comprehensive demobilization

legislation. The subcommittee had before it two bills referred by the full Military Affairs Committee, S. 1730, which was originally introduced by Senators George and Murray on February 22, 1944, and S. 1893, first introduced as S. 1823 by Senator Kilgore on March 29, and subsequently reintroduced on May 4 by him and nine other Senators.

In addition to establishing an over-all demobilization board, S. 1730 provided principally for contract settlement. On the recommendation of the Military Affairs Committee and the Post-war Policy Committee the Senate passed a comprehensive contract settlement measure last May which has since become law.

S. 1893, in addition to establishing over-all coordination of demobilization, provided for disposal of surplus property, reconversion to civilian production, and retraining and reemployment of war workers and returning servicemen.

The subcommittee is reporting out to the full committee a new bill. The new bill represents the best thought of the subcommittee on the subjects of over-all coordination of demobilization, reconversion to civilian production, and retraining and reemployment. The provisions on retraining and reemployment are substantially the same as those of S. 1893 revised.

The new subcommittee bill contains no discussion of surplus property as this is still the subject of intensive study by the subcommittee as well as by a number of other Senate committees, including the Small Business Committee, the Post-war Policy Committee, and the National Defense Investigating Committee.

The subcommittee is reporting out S. 1893 in addition to the unnumbered bill in order to provide the full committee the opportunity to arrive at its own conclusions on the merits of the surplus disposal and other provisions of S. 1893.

MEASURES NEEDED FOR NATIONAL DEMOBILIZATION

The recommended legislation would create an Office of War Mobilization and Adjustment, thus transferring the Office of War Mobilization as established by Executive Order No. 9347, dated May 27, 1943. By the terms of the legislation the Director of the Office is directed to prepare or cause to be prepared plans to meet the problems of war mobilization and post-war adjustment. By this means continuity from wartime to post-war production is insured and the gap between wartime employment or military mobilization and civilian reemployment is bridged.

It is the view of the subcommittee that these activities cannot be successfully carried out without coordination by one office directly responsible to the President, and should not be put into effect without express sanction from Congress.

The legislation would establish within the Office a Division of Programs and Projects to be headed by a Deputy Director. In the view of the subcommittee the Deputy Director in charge of Programs and Projects will become the right arm of the Director of the Office. Together they will survey the work already going forward in the several agencies responsible for the transition to the post-war period, and will then be in a position to promote plans and policies to coordinate the activities of these agencies.

The Director is expected to utilize as far as possible existing Federal agencies. He and his assistants are expected to exercise their authority principally through directives to such agencies. They are expected also to enlist the support of State and local agencies, public and private, and of nationally organized groups in industry, labor, agriculture, and the general public.

To assist the Director and the Deputy Director in the preparation of programs with respect to demobilization and post-war adjustment the legislation provides for a National Production-Employment Board to be appointed by the President with the approval of the Senate. It is the belief of the subcommittee that such a representative board, having advisory and not executive power, is necessary if the country is to make a successful transition from war to peace.

We shall require the utmost support from all groups in the community if we are to make progress during the next several years. The subcommittee feels it imperative to impress upon their colleagues the magnitude of the job they see ahead for the country. We face the demobilization of some 20,000,000 war workers, many of whom are far from home, and 10,000,000 in the armed services, for whom civilian employment must be available. We remind the Congress that there were 7,000,000 unemployed in 1940 and that the national economy has certainly increased its productive efficiency during the war. There are, to be sure, some 4 or 5 million older persons and youths and working mothers who can be expected to withdraw from the job market. There remain millions more people to be employed than ever were employed before the war.

There are those who regard this prospect as insurmountable. We do not. We take it rather as an enormous opportunity. The war has demonstrated the capacity of the American economy to produce an abundance of the necessities and a reasonable amount of the better things of life for our entire population. Our problem is one of maintaining continuous production and distribution of these abundant goods and services. If we can employ all those who will become employable after the war and distribute their product, a higher standard of living is insured for all Americans than could be reasonably expected before the war.

The forces at work within our economy, however, are moving in opposite directions. There is a strong tendency to a return to scarcity as well as a strong trend toward the production of abundance. If large-scale unemployment develops it will be more and more difficult to reverse the development of a downward spiral of unemployment and depression. It is well to realize that we need not only to maintain our current levels of operation but to reemploy increasing numbers of demobilized ex-servicemen until we have absorbed an additional 6 or 7 million persons, or a total of some 58 or 59 million employables.

This means a vast shifting about of American population, some returning to their pre-war residences, some remaining where the war has carried them, and some moving into new job opportunities. Even in normal times such a shifting about has required an elastic cushion of expanding job opportunities to make such transfers possible without serious friction. In the period ahead we shall need a similar expansion to cushion the developing migration. We shall need such an expansion also to offset the tendency toward a developing contraction.

It is true that there has been large-scale saving during the war, but as far as the average American is concerned this represents a margin of safety with which he will not part unless he is either confident of the future or in desperate difficulties at the moment. To persuade this part of the population to spend war savings freely, an era of confidence will be required. Otherwise the spending of war savings as an act of desperation will waste their potential benefits to no good purpose.

It is for these reasons that your subcommittee recommends legislation establishing an Office of War Mobilization and Adjustment and in it a Bureau of Programs and Projects, and to back it up, a Production-Employment Board. In the estimation of the subcommittee this country needs a change in the national climate of opinion if it is to make a successful transition from war to peace. We do not advocate the maintenance of all wartime controls or the creation of new agencies of centralization. On the contrary we hope that the instruments created by this bill will serve primarily as a balance wheel.

It is the view of the subcommittee that the job ahead is one for the entire community, industry, labor, agriculture, and the general public. We need a maximum of private initiative and we need a maximum of public support for that initiative.

Stated in another way: We need community responsibility for the maintenance of full production and full employment in this country. To do this we shall need full knowledge of the plans and programs of all public and private agencies. We shall also need to coordinate such plans and programs and to maintain a balance between them. This calls for a type of operation which was not familiar in this country prior to the war and which we are only now learning to carry out successfully.

Some of the pitfalls for this operation are readily apparent. For example, there is the danger of increasing centralized control of industry. There is also the danger of creating a bureaucracy more interested in its own self-perpetuation than in the job at hand.

The subcommittee has undertaken to meet these dangers by giving to the Production Employment Board and to Congress the powers of ventilation of current developments. We believe that these risks are not serious as long as such tendencies are subject to constant observation. We believe also that the risks to be run if such an organization is not undertaken during the transition period will far outrun the dangers described above. This country cannot afford another period of collapse comparable to that experienced between 1929 and 1932.

As one of the further means of implementing this program this legislation provides for the creation of joint councils representative of industry, large and small, labor, and, wherever appropriate, agriculture. These are to be appointed by the Director with the advice and consent of the Board. They are in no sense to operate as trade associations and are therefore given no authority but only an advisory or consultative capacity. It should be realized that the war has already developed such advisory bodies composed only of industrialists. If the transition

to post-war full employment is to be achieved, labor and wherever it is appropriate, agriculture must be consulted.

With respect to reconversion to peacetime production the recommended production places the responsibility upon the Chairman of the War Production Board for integrating curtailment of war contracts with resumption of production for nonwar use.

It is well for Congress to realize that in the absence of any decision on its part decisions are bound to be made which will be adverse to the smaller businesses of the country. The leading corporations of the country have benefited enormously from the war. They emerge far stronger in point of financial resources, productive capacity, and control of natural resources. They present a massive obstacle to the competitive activities of smaller business. During the transition period access to materials and the privilege of resuming civilian activity become valuable business assets. These are now within the jurisdiction of the armed services and the War Production Board, where they are for the most part directed by representatives on leave from the largest businesses. Nothing short of an orderly program will protect the interests of the whole community. This is, in short, not a problem merely for large business, or even for small and large business, but for all groups in our economy.

With respect to retraining and reemployment the recommended legislation regards the period immediately ahead as an emergency as great as any in our previous history. It calls, therefore, for emergency measures in unemployment compensation.

Under the present Social Security Act, unemployment benefits were to be provided for temporary unemployment in transition between jobs. It was not contemplated that upward of 30,000,000 of our working population might be unemployed within one 2-year period, and yet this is the prospect immediately ahead.

Some war workers and ex-servicemen will be unemployed quite briefly, while some may have difficulties extending over 6 months or a year, depending upon the type of skills they have to offer and the character of employment during this period.

Ordinarily, unemployment benefits are aimed at assisting the individual. The subcommittee believes that these emergency unemployment benefits should be aimed at assisting the entire economy. They must be designed, and Congress must recognize the need, for providing adequate amounts of income for all those being disemployed. These amounts must be reasonable so that they will not prove inflationary or disturb the existing economic relationships between one employee and another. The schedule contained in the recommended legislation meets these requirements.

The benefits, however, must insure that a downward spiral of unemployment is not set in motion by lack of general purchasing power. Only by having the Federal Government underwrite such an undertaking can it be effective.

The costs of this operation should probably be regarded as costs of the war. By those who quite properly urge economy they must be understood as a means of preventing greater loss of revenue and actual destruction of confidence in the Federal Government and the national economy. Moreover, properly understood, the amounts of these benefits will be seen as far smaller the sooner the program is put into effect and the more successfully it prevents the onset of serious unemployment. For example, if the average period of unemployment can be reduced from 26 weeks to 12, and the average numbers of unemployed in any one year from 15 million to 10 or even 5, there will be an enormous saving to the State and Federal funds. In the absence of such underwriting by the Federal Government there can, in the view of your subcommittee, be no foreseeable bottom to possible unemployment.

The subcommittee would not want to be understood to say that adequate unemployment benefits alone can stabilize the transition from war to peace. Indeed, it is for this reason that your subcommittee advocates legislation covering both the retraining and reemployment of war workers and returning servicemen and the development of a program for maximizing employment opportunities.

Other committees of Congress have advocated emergency unemployment benefits which will leave matters entirely to the States. This subcommittee believes that State administrators themselves and all other groups in the community will recognize the merit of our proposals. Payments over and above those customary in the States are obligations of the Federal Government and can only so be treated. On the other hand, our recommendation leaves the administration in the hands of all State agencies whose State governments accept the obligations

as well as the benefits of this program. These benefits will make it possible for the States to use their funds accumulated during the period of war prosperity at rates which they had anticipated and are obligated to meet. Proposals made by other committees would call for the drawing down of these funds and hence the weakening of these State agencies as over against the Federal Social Security System.

This recommended legislation provides Federal workers including those employed in arsenals, powder plants, and other direct munitions production with reasonable benefits from the Federal Government. Certainly these war workers should not be penalized for their services to the Nation during the war, as they would be without such specific provisions.

There is bound to be complaint from certain quarters which lack sufficient information regarding this proposed legislation. These complaints will say that the proposal is underwriting idleness. Such statements will arise from overlooking the provision in the bill requiring all unemployed qualified employees to accept suitable employment. These provisions are to be administered by State agencies and the subcommittee does not anticipate any laxity with regard to enforcing the acceptance of suitable employment.

In other words, qualified employees will only be eligible to receive these benefits so long as they have not been offered suitable employment. It is up to the States to administer the removal of the employee from unemployment compensation rolls.

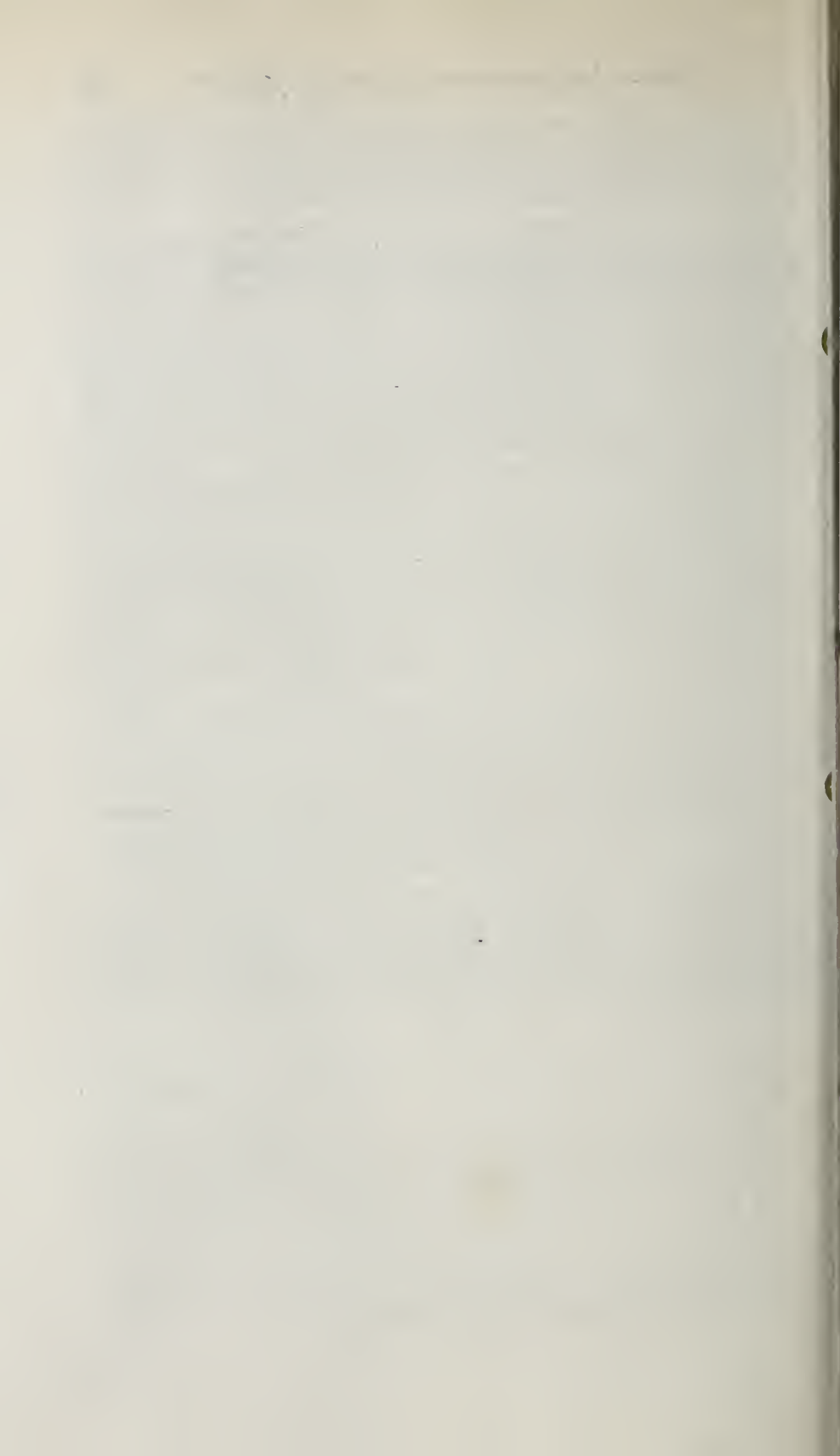
The conditions under which employees are to be considered as unemployed are carefully hedged about. Disqualification is directed when the employee fails to accept suitable employment or to comply with instructions from the public employment office. The employee is also disqualified if he was properly discharged or suspended for misconduct relating to his employment; if he left work voluntarily without good cause; if his unemployment was due to the stoppage of work because of a strike where he was last employed; or if he knowingly made any false claim for the purpose of causing benefits to be paid. The period of disqualification is limited to a period of 5 weeks. Adequate appeals machinery is provided.

In addition to the unemployment benefit features the recommended legislation provides for the transportation of war workers and ex-servicemen, including the transportation of dependents and household effects from their last previous residence to new jobs. Such transportation allowances are not to exceed those provided for Government employees. Regulations are to be prescribed by the Work Administrator.

To facilitate the transfer of workers, which will be an overwhelming problem after the war, the United States Employment Service is to be continued for a period of 2 years after the termination of hostilities as a nationally operated system of public employment offices. This corresponds to other emergency measures provided in the bill.

The legislation also provides vocational education or training on a full time basis not to exceed 6 months or its equivalent in part-time study. This is to implement the provisions in the bill directed at retraining and placing servicemen and civilian workers in new jobs. To make such training possible the Work Administrator is enabled to pay a maintenance allowance for the trainee without dependents of \$50 per month; \$75 if he has one dependent, and \$100 if he has two or more dependents.

○



Calendar No. 1053

78TH CONGRESS
2D SESSION

S. 2061

[Report No. 1036]

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 1944

Mr. MURRAY (for himself and Mr. KILGORE), from the Committee on Military Affairs, reported the following bill, under authority of the order of the Senate of August 3 (legislative day, August 1), 1944; which was placed on the calendar

A BILL

To provide a national program for war mobilization and post-war adjustment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—GENERAL PROVISIONS

4 SEC. 101. The Congress hereby declares that the objec-
5 tives of this Act are—

6 (a) to facilitate maximum war production during
7 the war and to expedite the transition from war to peace;

8 (b) to achieve full employment, rising standards
9 of living, and effective utilization of the Nation's resources
10 during the period of transition from war to peace, and
11 thereafter; and

1 (c) to provide for the development of unified plans
2 and projects and adequate machinery to achieve the
3 foregoing objectives.

4 SEC. 102. (a) There is hereby established in the Execu-
5 tive Office of the President, the Office of War Mobilization and
6 Adjustment (hereinafter called the "Office"), which shall be
7 headed by the Director of War Mobilization and Adjustment
8 (hereinafter called the "Director"). The Director shall be
9 appointed for a term of two years by the President, by and
10 with the advice and consent of the Senate, and shall receive
11 compensation at the rate of \$15,000 per year.

12 (b) There is hereby established in the Office of War
13 Mobilization and Adjustment a Division of Programs and
14 Projects to be headed by a Deputy Director, who shall be ap-
15 pointed for a term of two years by the President, by and with
16 the advice and consent of the Senate, and shall receive com-
17 pensation at the rate of \$10,000 per year. It shall be the
18 function of the Deputy Director and the Division of Pro-
19 grams and Projects to assist the Director in discharging his
20 responsibilities under subsection (c) of this section.

21 (c) In addition to any authority which the President
22 may delegate to him, the Director shall, subject to the direc-
23 tion of the President and with the assistance of the Deputy
24 Director—

25 (1) formulate or cause to be formulated plans to

1 meet the problems of war mobilization and post-war
2 adjustment in such a manner as to achieve the objec-
3 tives of this Act;

4 (2) issue such directives on policy, plans, and
5 operations to other Government agencies as may be
6 necessary to carry out, and to coordinate their activities
7 in connection with, such plans, and review the programs
8 and activities of other Government agencies with respect
9 to war mobilization and post-war adjustment. Each
10 Government agency shall carry out the directives of the
11 Director expeditiously and, to the extent necessary there-
12 for, shall modify its operations and procedures and pre-
13 scribe further regulations with respect thereto. Nothing
14 contained in this section shall be construed as authorizing
15 any activities to carry out any plan formulated under
16 this section which are not within the scope of the powers
17 possessed by the President or the Government agencies
18 under the Constitution or under provisions of law other
19 than this section;

20 (3) recommend to the Congress appropriate legis-
21 lation to carry out plans developed by him but not
22 authorized to be carried out under existing law;

23 (4) evaluate and report on current and projected
24 public and private activities affecting war mobilization
25 and peacetime full production and employment; survey

1 continuously the necessity for such additional programs of
2 legislation as will achieve the objectives of this Act; pro-
3 mote and assist in the development of war mobilization
4 and post-war adjustment plans and surveys by other Gov-
5 ernment agencies; such surveys shall include (without be-
6 ing limited thereto) programs and measures for public
7 works, housing, taxation, industrial and regional develop-
8 ment, expansion of foreign trade, social security, and the
9 maintenance of competitive enterprise; develop proce-
10 dures to inform each Government agency of proposed war
11 mobilization and post-war adjustment plans and proposals
12 related to its work which are being developed or carried
13 out by any other Government agency; and settle contro-
14 versies between Government agencies in the development
15 and administration of their plans or plans developed by
16 the Director;

17 (5) make or cause to be made studies which will
18 enable him to determine the need for (A) simplifying,
19 consolidating, or eliminating Government agencies estab-
20 lished for purposes of the war emergency, and (B) re-
21 establishing by statute or terminating agencies which exist
22 under Executive order only and for the relaxation or re-
23 moval of emergency war controls;

24 (6) institute a specific study of the present func-
25 tions of the various Government agencies in the field

1 of manpower, and develop a program for reorganizing
2 and consolidating such agencies to the fullest extent
3 practicable;

4 (7) survey continuously all rules, regulations, and
5 orders issued by any Government agency exercising
6 control over manpower, production, or materials, for
7 the purpose of determining whether any such rules,
8 regulations, or orders prevent or hinder the full employ-
9 ment of the Nation's manpower by private employers
10 capable and desirous of resuming, expanding, or initi-
11 ating production for nonwar use. Whenever the Di-
12 rector determines that any such rule, regulation, or order
13 so prevents or hinders full employment and is not re-
14 quired for the purpose of insuring production for war
15 purposes, he shall direct such Government agency to
16 rescind, modify, or amend such rule, regulation, or
17 order;

18 (8) consult and cooperate with State and local
19 Governments, industry, labor, agriculture and other
20 groups, both national, regional, and local, concerning
21 methods of achieving the objectives of this Act; and

22 (9) submit reports to the President, the Senate
23 and the House of Representatives on the first days of
24 January, April, July, and October, on the activities
25 undertaken by him under this Act. Such reports shall

1 summarize and appraise the activities of the various
2 Government agencies in the fields of war mobilization
3 and post-war adjustment, and may include such legisla-
4 tive proposals as he may deem necessary or desirable.

5 (d) The Director shall, within the limits of funds which
6 may be made available, employ and fix the compensation
7 of such Assistant Directors and other officers and employees,
8 and may make such expenditures for supplies, facilities, and
9 services as may be necessary to carry out his functions and
10 the functions of the Office. All such officers and employees
11 shall be appointed in accordance with the civil-service laws
12 and their compensation fixed in accordance with the Classifi-
13 cation Act of 1923, as amended, except that Assistant Direc-
14 tors and expert administrative, technical, and professional
15 personnel may be employed and their compensation fixed
16 without regard to such laws. To the fullest extent practicable,
17 the Director shall perform the duties imposed upon him
18 through the facilities and personnel of other Government
19 agencies. The Director may require such reports and in-
20 formation from other Government agencies as he deems
21 necessary to enable him to carry out his functions under
22 this Act, and each Government agency shall furnish any
23 information and reports so required.

24 SEC. 103. (a) There is hereby created a National Pro-
25 duction-Employment Board (hereinafter in this title called

1 the "Board"), the members of which shall be appointed by
2 the President, by and with the advice and consent of the
3 Senate, and which shall include three representatives of in-
4 dustry, three representatives of labor, three representatives of
5 agriculture, and one public member who shall be Chairman.
6 An alternate for each member of the Board other than the
7 Chairman shall be appointed by the President, by and with
8 the advice and consent of the Senate, to sit and act for such
9 member when authorized by such member to sit and act for
10 him. The Board shall, by a majority vote of its members,
11 determine the rules of its procedure, except as otherwise
12 defined by this Act, and the powers conferred on the Board
13 by this Act may be exercised by a majority vote.

14 (b) It shall be the general function of the Board to
15 review the programs and activities of the Director and other
16 Government agencies with respect to war mobilization and
17 post-war adjustment and make to the President, the Con-
18 gress, and the Director such recommendations relating to
19 legislation, policies, and procedures as it may deem necessary
20 to achieve the objectives of this Act.

21 (c) The Deputy Director shall serve as the executive
22 secretary of the Board. He shall prepare, upon request of
23 the Board, such reviews of plans, reports, and studies, and
24 shall secure for the Board and each individual member
25 thereof such other information from the Director, as may be

1 necessary to enable the Board to discharge its functions under
2 this Act.

3 (d) The Director, the Chairman of the War Production
4 Board, and such other Federal officials performing functions
5 subject to direction by the Office, as shall be designated by
6 the Board, shall meet with it at least once a month at such
7 times as may be designated by the Chairman of the Board to
8 consult and advise with it on all basic policies and pro-
9 grams which are subject to direction by the Office.

10 (e) In order to provide for the effective cooperation
11 of industry, agriculture, and labor with respect to the war
12 mobilization and post-war adjustment problems of particular
13 industries and areas, the Director, with the advice and con-
14 sent of the Board, shall—

15 (1) establish industry advisory councils for the var-
16 ious industries, and area advisory councils for various
17 geographic areas, which are substantially and directly
18 affected by the policies, programs, and operations of Gov-
19 ernment agencies performing functions subject to the
20 jurisdiction of the Office: *Provided*, That full information
21 on all such councils shall be submitted to the Attorney
22 General and no such councils shall continue any opera-
23 tions or activities which the Attorney General finds and
24 certifies to the Director tend to promote the restraint
25 of trade or the extension of monopoly;

1 (2) appoint and fix the number of the members of
2 such councils. The members of such councils shall be
3 representative in the industry concerned or area con-
4 cerned, as the case may be, of industry, labor, and
5 wherever appropriate, agriculture;

6 (3) define the industries or areas with respect to
7 which such councils, respectively, shall have jurisdiction;

8 (4) prescribe rules and regulations governing the
9 organization, procedures, and operations of such coun-
10 cils; and such rules and regulations shall contain appro-
11 priate provisions protecting confidential Government
12 information and preventing the operations of such coun-
13 cils from unduly interfering with or delaying the opera-
14 tions of Government agencies; and

15 (5) prescribe rules and regulations governing the
16 extent to which Government agencies performing func-
17 tions subject to the jurisdiction of the Office shall consult
18 and advise with such councils with respect to the formu-
19 lation and execution of policies and programs affecting
20 the industries or areas represented by such councils.

21 (f) All appointments of members or alternates to the
22 Board, and of members of the area and industry advisory
23 councils, may be made without regard to any of the pro-
24 visions of law with respect to the appointment and compen-

1 sation of employees of the United States. Members and
2 alternates of the Board shall serve without remuneration,
3 except for per diem allowances as shall be prescribed by the
4 Director, not to exceed \$25 each day spent in the actual
5 performance of duty, plus necessary traveling and other
6 expenses incurred while so engaged.

7 (g) The Director, through the facilities of the Office,
8 shall provide the Board with such technical and clerical staff
9 as may be necessary.

10 TITLE II—INDUSTRIAL DEMOBILIZATION AND 11 RECONVERSION

12 SEC. 201. Subject to the provisions of this Act, any
13 contracting agency shall terminate contracts for war produc-
14 tion whenever in the opinion of the agency the performance
15 under such contracts will not be needed for the prosecution
16 of the war, and shall not continue performance under such
17 contracts merely for the purpose of providing business and
18 employment, or for any purposes other than the prosecution
19 of the war, unless the continuation of some or all of the work
20 under any such contract will benefit the Government or is
21 necessary to avoid substantial injury to the plant or property.

22 SEC. 202. Curtailments of war production or termina-
23 tions of war contracts shall be integrated and synchronized
24 with the expansion, resumption, or initiation of production
25 for other war purposes, and, to the greatest extent compatible

1 with the effective prosecution of the war, of production for
2 non-war use. To effectuate this policy—

3 (a) the contracting agencies shall continuously
4 survey their product and material requirements and
5 report to the Chairman of the War Production Board, in
6 such form and detail as he may determine, on current
7 and anticipated changes in requirements and on all
8 anticipated curtailments of war production or termina-
9 tions of war contracts.

10 (b) the War Production Board and other Govern-
11 ment agencies exercising control over manpower,
12 production, or materials shall permit the expansion,
13 resumption, or initiation of production for non-war use
14 whenever such production does not require materials,
15 components, facilities, or labor needed for war purposes,
16 or will not otherwise adversely affect or interfere with
17 the production for war purposes. Permission to produce
18 any item or group of items for non-war use shall not
19 be restricted to plants previously engaged in the pro-
20 duction of such item or group of items, and shall not be
21 withheld from any plant for the reason that any other
22 plant is occupied with war contracts and cannot there-
23 fore produce such item or group of items for non-war
24 use at that time.

1 (c) the Chairman of the War Production Board
2 shall, subject to the direction of the Director—

3 (1) establish a Production Adjustment Com-
4 mittee which shall consist of representatives of the
5 Department of War, the Department of the Navy,
6 the Maritime Commission, the Reconstruction Fi-
7 nance Corporation, the Foreign Economic Admin-
8 istration, the War Manpower Commission, the Office
9 of Price Administration, and of the War Production
10 Board (including the Chairman of the Board of
11 Directors of the Smaller War Plants Corporation,
12 the Vice Chairman for Civilian Requirements, and
13 the Vice Chairmen for Labor Production and Man-
14 power Requirements), and such other representa-
15 tives of Federal agencies as the Director may desig-
16 nate, and shall advise and consult with the Produc-
17 tion Adjustment Committee with respect to the
18 functions vested in him by this section;

19 (2) establish policies and procedures to be fol-
20 lowed by the contracting agencies in the curtail-
21 ment, nonrenewal, and termination of contracts, to
22 include as he may deem necessary the submission of
23 detailed programs for approval;

24 (3) establish policies and procedures providing
25 for full consultation between the contracting agen-

1 cies and prime contractors, and to the extent feasible
2 with subcontractors, with respect to the selection
3 of subcontracts for curtailment, nonrenewal, or ter-
4 mination;

5 (4) establish policies and procedures for pro-
6 viding war contractors and their employees with
7 notice of curtailments in war production or termina-
8 tion of war contracts as far in advance of curtail-
9 ment or termination as is feasible and consistent
10 with the national security without permitting un-
11 needed production or performance;

12 (5) consult with other Government agencies,
13 war contractors and subcontractors, and the repre-
14 sentatives of the employees of war contractors with
15 regard to obtaining the most effective use in other
16 war production or in production for nonwar use of
17 facilities and manpower released through curtail-
18 ments in war production or terminations of war
19 contracts.

20 (d) Subsection (a) of section 11 of the Contract Settle-
21 ment Act of 1944 is hereby repealed.

22 SEC. 203. (a) Whenever the expansion, resumption,
23 or initiation of production for nonwar use is authorized, on
24 a restricted basis, by the War Production Board or any other
25 Government agency having control over manpower, produc-

1 tion, or materials, the restrictions imposed shall not be such
2 as to prevent any small plant capable and desirous of par-
3 ticipating in such expansion, resumption, or initiation of
4 production for nonwar use from achieving reasonable econo-
5 mies of operations in such production.

6 (b) Whenever the War Production Board or such other
7 Government agency releases or authorizes the use of any ma-
8 terials, subject to quotas, production schedules, or any other
9 restrictions, for the production of any item or group of items
10 for nonwar use, it shall set aside a percentage of such mate-
11 rials for the exclusive use by small plants for the production
12 of such item or group of items. Such percentage shall be
13 determined by the Chairman of the War Production Board
14 or the head of such other Government agency after giving
15 full consideration to the claims presented by the chairman
16 of the board of directors of the Smaller War Plants Corpora-
17 tion.

18 In allocating the materials thus set aside among such
19 small plants, the Chairman of the War Production Board
20 or the head of such other Government agency shall follow
21 the criteria, standards, quotas, schedules, or other condition-
22 ing factors to be established by the chairman of the board
23 of directors of the Smaller War Plants Corporation and
24 shall prevent any discrimination against such small plants
25 in the sale and delivery of such materials. For the purposes

1 of this title, a small plant means any small business concern
2 engaged primarily in production or manufacturing employ-
3 ing two hundred and fifty wage earners or less. The Chair-
4 man of the War Production Board or the head of such other
5 Government agency may agree with the chairman of the
6 board of directors of the Smaller War Plants Corporation
7 that other business concerns may be considered small plants
8 by reason of their relative size in industry.

9 SEC. 204. The Attorney General is directed to make
10 surveys for the purpose of determining any factors which
11 may tend to eliminate competition, create or strengthen
12 monopolies, injure small business, or otherwise promote
13 undue concentration of economic power in the course of war
14 mobilization and during the period of transition from war to
15 peace and thereafter. The Attorney General shall submit
16 to the Congress within ninety days after the approval of this
17 Act, and at such times thereafter as he deems desirable,
18 reports setting forth the results of such surveys and including
19 recommendations for such legislation as he may deem neces-
20 sary or desirable.

21 TITLE III—RETRAINING AND REEMPLOYMENT
22 OF WAR WORKERS AND RETURNING
23 SERVICEMEN

24 SEC. 301. The Congress hereby declares that the ob-
25 jectives of this title are—

1 (a) To facilitate the most effective mobilization and
2 maximum utilization of the Nation's manpower in the
3 prosecution of the war;

4 (b) To maintain maximum employment in the tran-
5 sition from war to peacetime production;

6 (c) To provide for the coordination of the demobiliza-
7 tion of servicemen with employment opportunities under a
8 policy of demobilizing servicemen as rapidly as the military
9 situation permits;

10 (d) To provide necessary training of ex-servicemen and
11 war workers; and

12 (e) To provide the necessary economic assistance to
13 returning ex-servicemen and war workers in connection
14 with transfer, training, and reemployment.

15 SEC. 302. There is hereby created a Retraining and
16 Reemployment Administration to be headed by an Admin-
17 istrator who shall be appointed by the President by and with
18 the advice and consent of the Senate, and who shall receive a
19 compensation of \$12,000 per annum. It shall be the function
20 of the Administrator of the Retraining and Reemployment
21 Administration (hereinafter referred to as the Work Admin-
22 istrator), subject to the discretion and control of the Director,
23 to establish a unified reemployment program covering recruit-
24 ment, training, transfer, and placement of returning service-
25 men and workers in war and civilian production. The reem-

1 ployment program shall include provision for compiling full
2 detail on declining and increasing employment opportunities
3 (by industrial segments, geographic areas, and plants) result-
4 ing from curtailment in war production and resumption of
5 civilian production; for placement of workers in appropriate
6 employment; and for interim financing of workers, including
7 returning servicemen, pending placement in accordance with
8 the authority of this title. The Work Administrator shall pre-
9 scribe regulations and issue directives to Federal agencies
10 necessary to effectuate the objectives of this title and all such
11 Federal agencies shall be governed by these.

12 SEC. 303. The Work Administrator shall consult and
13 advise with a Committee on Retraining and Reemployment,
14 consisting of one representative from each of the following:
15 Department of Labor, Veterans' Administration, War Man-
16 power Commission (for the War Manpower Commission
17 and the Federal Security Agency), War Production Board,
18 Selective Service System, Civil Service Commission, War
19 Department, Navy Department, and such other Federal
20 agencies as the Work Administrator may designate.

21 SEC. 304. (a) The War Production Board and other
22 agencies having data on production changes and employ-
23 ment opportunities shall furnish the Work Administrator full
24 information on current and projected schedules of military

1 and civilian production in such detail as the Work Admin-
2 istrator shall deem necessary.

3 (b) The War and Navy Departments shall furnish data
4 on current and projected rates of discharge of servicemen
5 providing such details concerning the servicemen as the
6 Work Administrator may deem necessary and is practicable
7 for the War and Navy Departments to furnish. It shall be
8 the duty of the War and Navy Departments to anticipate so
9 far as practicable, the forward programs of demobilization
10 of servicemen, and to cooperate with the Work Administrator
11 in furnishing such data on such demobilization as military
12 security permits.

13 (c) The War and Navy Departments shall discharge
14 from the armed forces of the United States the men and
15 women serving therein during the present war as rapidly
16 as the appropriate department determines that the services
17 of such persons are no longer needed for the prosecution of
18 the war or for the national defense, and shall not retain
19 such persons in the armed forces merely for the purpose
20 of preventing unemployment or awaiting opportunities for
21 employment.

22 SEC. 305. The Work Administrator may perform the
23 functions and exercise the powers, authority, and discretion
24 conferred on him by this Act through such officials and such
25 agencies and in such manner as the Work Administrator,

1 subject to the provisions of this Act, may determine. In
2 carrying out the purposes of this Act, the Administration
3 may utilize the services of any other Government agency.

4 SEC. 306. (a) In order to facilitate the recruitment,
5 training, transfer, and placement of workers and ex-service-
6 men, the Work Administrator is hereby authorized to pay the
7 cost of transportation of workers and ex-servicemen, includ-
8 ing transportation of dependents and household effects, from
9 their last previous residence to new jobs, in accordance
10 with such regulations as may be prescribed by the Work
11 Administrator: *Provided*, That such transportation allow-
12 ances shall not exceed the allowances provided for Govern-
13 ment employees in the Standard Government Traveling
14 Regulations, as approved by the President.

15 (b) The United States Employment Service shall be
16 continued as a nationally operated system of public employ-
17 ment offices for a period of two years after the termination
18 of hostilities as proclaimed by the President or by concurrent
19 resolution of the Congress.

20 SEC. 307. (a) Whenever he deems it necessary, in order
21 to give effect to the objectives of this title, the Work Admin-
22 istrator is authorized to provide to any person vocational
23 free education or training, of not more than six months of
24 full-time study or its equivalent in part-time study in addi-
25 tion to any free education or training now provided by law.

1 (b) Every person, while he is receiving vocational edu-
2 cation or training on a full-time basis, shall be entitled to
3 receive a maintenance allowance at the rate of \$50 a month
4 if he has no dependent, \$75 if he has one dependent, and
5 \$100 if he has two or more dependents. The Work Admin-
6 istrator may provide for maintenance allowances, under such
7 conditions and in such amounts as may be prescribed by
8 regulations, to servicemen and civilian workers receiving
9 education or training on a part-time basis; but no such al-
10 lowance shall be paid to any person receiving training on
11 the job. Persons undergoing such training shall not be
12 eligible for interim placement benefits during the period of
13 such training.

14 (c) The Work Administrator shall from time to time
15 make available information respecting the need for general
16 education and for trained personnel in the various trades,
17 crafts, and professions. He shall make educational and voca-
18 tional guidance generally available.

19 SEC. 308. Section 2 of the Mustering-Out Payment Act
20 of 1944 is amended to read as follows:

21 “SEC. 2. Mustering-out payment for persons eligible
22 under section 1 shall be made in equal monthly installments.
23 The first installment shall be paid at the time of final dis-
24 charge or ultimate relief from active service, and the remain-
25 ing installments shall be paid in successive months thereafter.

1 Each installment shall be at the rate of \$100 if the member
2 of the armed forces has no dependent, \$125 if he has one
3 dependent, and \$150 if he has two or more dependents. All
4 persons shall be entitled to two installments plus an addi-
5 tional installment for each year of active service or major
6 fraction thereof. Any person who has served outside the
7 continental limits of the United States or in Alaska shall be
8 entitled to a further additional installment.”

9 SEC. 309. (a) Every unemployed qualified employee
10 (as defined in section 310) shall be entitled, upon regis-
11 tration with a public employment office designated by the
12 Work Administrator, to placement in suitable employment
13 if available.

14 (b) “Interim placement benefits” shall be paid to
15 any qualified employee (as defined in section 310) with
16 respect to each week of unemployment or part week of
17 unemployment occurring during the period beginning the
18 third calendar month after the date of enactment hereof
19 and ending with the last day of the twenty-fourth calendar
20 month following the termination of war: *Provided, That,*
21 for a person who is an ex-serviceman, benefits shall accrue
22 for unemployment occurring in the twenty-four calendar
23 months after his discharge or release from military service, if
24 such twenty-four calendar months shall end subsequent to
25 the twenty-four calendar months following the termination

1 of the war. For a qualified employee the “interim place-
 2 ment benefit” payable for a week of unemployment in any
 3 benefit year shall be 75 per centum of “weekly wages”:
 4 *Provided, however,* That these amounts shall be rounded
 5 upwards to the nearest dollar, but shall not in any event
 6 exceed \$20 for an individual if he has no dependents, \$25
 7 if he has one dependent, \$30 if he has two dependents, and
 8 \$35 if he has three or more dependents: *Provided further,*
 9 That for a qualified employee who is an ex-serviceman, the
 10 “interim placement benefit” payable for a week of unemploy-
 11 ment shall be \$20 if such ex-serviceman has no dependent,
 12 \$25 if he has one dependent, \$30 if he has two dependents,
 13 and \$35 if he has three or more dependents: *And provided*
 14 *further,* That the benefit rate of a qualified employee in any
 15 benefit year shall be not less than the rate established in the
 16 first benefit year for such employee.

17 The “interim placement benefit” payable for a part week
 18 of unemployment in any benefit year shall be one-fifth of
 19 the benefit for a week of unemployment multiplied by the
 20 number of days of unemployment in excess of two in such
 21 week.

22 (c) There shall not be considered as a day of unemploy-
 23 ment, with respect to any employee—

24 (i) any day on which he fails to maintain, in accord-
 25 ance with regulations prescribed by the Work Adminis-

1 trator, a registration at a public employment office;

2 (ii) any Sunday not preceded by a day of un-
3 employment and unless it be the last day of a week
4 of unemployment or a part week of unemployment,
5 not followed by a day of unemployment; and

6 (iii) any day in any period with respect to which
7 he is receiving or has received annuity payments or
8 pensions under the Railroad Retirement Act of 1935
9 or the Railroad Retirement Act of 1937 or insurance
10 benefits under title II of the Social Security Act, or
11 annuities under the Civil Service Retirement Act, or a
12 vocational education or training allowance under this
13 title, or a mustering-out payment, or unemployment
14 benefits under an unemployment compensation law of
15 any State or of the United States: *Provided*, That if
16 any such payment is less in amount than the "interim
17 placement benefits" under this Act which, but for this
18 paragraph, would be payable with respect to such period,
19 the preceding provisions of this paragraph shall not
20 apply but such "interim placement benefits" shall be
21 diminished in the amount of such other payments.

22 (d) There shall not be considered as a day of unemploy-
23 ment, with respect to any employee, any day in a period of
24 not more than five weeks, beginning with a day with respect
25 to which the agency administering benefits finds that—

1 (i) he failed, without good cause, to accept suit-
2 able work available on such day and offered to him, or
3 to comply with instructions from a public employment
4 office to apply for such work or to report, in person, or
5 by mail, as directed, to such office;

6 (ii) he was properly discharged or suspended for
7 misconduct related to his employment;

8 (iii) he left work voluntarily, without good cause;

9 (iv) subject to the provisions of subsection (e) of
10 this section, his unemployment was due to a stoppage of
11 work because of a strike in the establishment, premises,
12 or enterprise at which he was last employed;

13 (v) he knowingly made, or aided in making, or
14 caused to be made any false or fraudulent statement or
15 claim for the purpose of causing benefits to be paid.
16 The length of the periods of disqualification, within the
17 limit of five weeks specified above, with respect to the
18 findings herein set forth shall be fixed by regulations
19 prescribed by the Work Administrator.

20 (e) The disqualification provided in section 409 (d)
21 (iv) of this Act shall not apply if the agency administering
22 benefits finds that—

23 (i) the employee is not directly interested in the
24 labor dispute which causes the stoppage of work; and

(ii) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed in the establishment, premises, or enterprise at which the stoppage occurs, any of whom are directly interested in the labor dispute: *Provided*, That if separate types of work are commonly conducted in separate departments of a single enterprise, each such department shall, for the purposes of this subsection, be deemed to be a separate establishment, enterprise, or other premises.

(f) No work shall be deemed suitable for the purposes of this section, and benefits shall not be denied under this Act to any otherwise qualified employee leaving work voluntarily or for refusing to accept work if—

(1) the position offered is vacant due directly to a strike, lock-out, or other labor dispute;

(2) the remuneration, hours, or other conditions of work offered are substantially less favorable than those prevailing for similar work in the locality, or the rate of remuneration is less than the union wage rate, if any, for similar work in the locality;

(3) as a condition of being employed he would be required to join a company union or to resign from or

1 refrain from joining any bona fide labor organization;

2 (4) acceptance of the work would require him to
3 engage in activities in violation of law or which, by
4 reason of their being in violation of reasonable require-
5 ments of the constitution, bylaws, or similar regulations
6 of a bona fide labor organization of which he is a mem-
7 ber, would subject him to expulsion from such labor
8 organization; or

9 (5) acceptance of the work would subject him to
10 loss of substantial seniority rights under any collective-
11 bargaining agreement between a bona fide labor organi-
12 zation and any other employer.

13 (g) In determining whether an employee has good cause
14 for a voluntary separation from suitable work or a failure to
15 apply for or accept an offer of suitable work, the agency ad-
16 ministering benefits shall consider, in addition to such other
17 factors as he deems relevant, (1) the current practice, recog-
18 nized by management and labor with respect to such work;
19 (2) the degree of risk involved to such employee's health,
20 safety, and morals; (3) his physical fitness and prior train-
21 ing; (4) his experience and prior earnings; (5) his length
22 of unemployment and prospects for securing work in his
23 customary occupation; and (6) the distance of the available
24 work from his residence and from his most recent work.

1 (h) Any officer or agency of an employer, or any em-
2 ployee representative, or any employee acting in his own
3 behalf, or any person whether or not of the character here-
4 inbefore defined, who shall willfully fail or refuse to make
5 any report or furnish any information required by the Work
6 Administrator or the agency administering benefits, as the
7 case may be, in the administration of this title, or who shall
8 knowingly make or aid in making or cause to be made any
9 false or fraudulent statement or report when a statement or
10 report is required to be made for the purposes of this title,
11 or who shall knowingly make or aid in making or cause
12 to be made any false or fraudulent statement or claim for
13 the purpose of causing benefits or other payment to be made
14 or not to be made under this title, shall be punished by
15 a fine of not more than \$10,000 or by imprisonment not
16 exceeding one year, or both.

17 (i) Any person who violates any provision of this title,
18 the punishment for which is not otherwise provided, shall
19 be punished for each such violation by a fine of not more
20 than \$1,000 or by imprisonment not exceeding one year,
21 or both.

22 SEC. 310. (a) A person shall be a "qualified employee"
23 if the Work Administrator or the agency administering bene-
24 fits, as the case may be, finds (i) that he served in the

1 active military or naval service of the United States at any
2 time after September 16, 1940, and prior to the termination
3 of the present war, and had been discharged or released
4 from active service under conditions other than dishonorable
5 or (ii) that since the beginning of the calendar year next
6 preceding the calendar year in which he first applies for
7 "interim placement benefits" and before making such appli-
8 cation he received wages of not less than \$150.

9 (b) Within ten days after the appointment of a Work
10 Administrator pursuant to this Act, such Administrator shall
11 afford to each State an opportunity to participate in the
12 administration of the "interim placement benefits" provided
13 by this title. A State shall be permitted to participate upon
14 agreement, pursuant to the authorization contained in the
15 unemployment compensation law of such State to enter
16 into a reciprocal agreement with an appropriate agency of
17 the Federal Government, (i) to receive all claims for
18 "interim placement benefits"; (ii) to adjudicate such claims
19 in accordance with regulations prescribed by the Work
20 Administrator, or forward such claims to another State or
21 Federal agency as may be appropriate; (iii) to pay, subject
22 to partial reimbursement from the Federal Government as
23 hereinafter set forth from funds withdrawn from the State
24 account in the Unemployment Trust Fund, any claim for
25 "interim placement benefits" found payable in accordance

1 with the regulations prescribed by the Work Administrator;
2 and (iv) to find fair and reasonable, and not resulting in
3 substantial loss to the unemployment compensation account
4 of such State, the reimbursement arrangement hereinafter
5 provided for. The Work Administrator shall, whenever a
6 State does not elect to pay "interim placement benefits",
7 or may, wherever he deems it necessary, arrange for the
8 filing of claims for "interim placement benefits" with the
9 Retraining and Reemployment Administration.

10 The Railroad Retirement Board and the Unemployment
11 Compensation Board of the District of Columbia shall par-
12 ticipate in the administration of "interim placement bene-
13 fits." Such Boards shall receive applications for "interim
14 placement benefits", shall adjudicate such applications in ac-
15 cordance with regulations prescribed by the Work Admin-
16 istrator, or shall forward such applications to a State or Ter-
17 ritorial unemployment compensation agency as may be ap-
18 propriate and shall certify to the Secretary of the Treasury
19 for payment, from the appropriate account in the Unemploy-
20 ment Trust Fund, any part of a claim found payable in
21 accordance with regulations prescribed by the Work Admin-
22 istrator.

23 (c) Claims for benefits and appeals from determinations
24 with respect thereto shall be made in accordance with such
25 regulations as the Work Administrator shall prescribe. The

1 WORK Administrator is authorized and directed to make find-
2 ings of fact with respect to any claim for benefits and to
3 make decisions as to the right of any claimant to benefits.
4 The Work Administrator is further authorized to hold such
5 hearings, to conduct such investigations and other proceed-
6 ings, and to establish by regulations and otherwise such
7 procedures as he may deem necessary or proper for the
8 determination of a right to benefits.

9 Each person whose claim for benefits has been denied,
10 in whole or in part upon an initial determination whether
11 by the Retraining and Reemployment Administration, by a
12 State, by the Railroad Retirement Board, or by another Fed-
13 eral agency participating in the administration of "interim
14 placement benefits" by arrangement with the Work Admin-
15 istrator, shall be granted an opportunity for a fair hearing
16 thereon before such appellate tribunal as the Work Admin
17 istrator may by regulation establish. In the case of any
18 hearing, the appellate tribunal established by the Work
19 Administrator shall notify all parties properly interested of
20 their rights to participate in the proceedings and, if a hearing
21 is to be held, the time and place of the hearing. At the
22 request of any party properly interested, the tribunal shall
23 provide for a hearing and may provide for hearing on its own
24 motion.

25 The Work Administrator may, on his own motion,

1 review a decision of an appeals tribunal on the basis of the
2 evidence previously submitted in such case and may direct
3 the taking of additional evidence, or he may agree to hear
4 the appeal of such parties as he may find properly inter-
5 ested in the proceedings. Unless a review or an appeal is
6 had pursuant to this subsection, the decision of the appellate
7 tribunal shall, subject to such regulations as the Work
8 Administrator may prescribe, be deemed to be his final
9 decision.

10 If the decision of an appellate tribunal or of the Work
11 Administrator reverses an initial decision denying a claim
12 for "interim placement benefits", such claim shall thereupon
13 be certified by the Work Administrator to the Secretary
14 of the Treasury for payment. If the initial decision was
15 made by a State agency or the Railroad Retirement Board
16 the amount of such payments shall be taken into account
17 in determining the amounts of reimbursement to be paid
18 to any State agency or to the Railroad Unemployment
19 Insurance Account pursuant to subsection (d) of this section.

20 Final decision of the Work Administrator of the decision
21 of any appellate tribunal shall be communicated to the claim-
22 ant and to other interested parties within fifteen days after it
23 is made. Any claimant and any labor organization, of which
24 such claimant is a member, duly authorized to represent
25 employees in accordance with the National Labor Relations

1 Act or the Railway Labor Act may, after all administrative
2 remedies made available by the Work Administrator have
3 been availed of and exhausted, obtain a review of any final
4 decision of the Work Administrator by filing a petition for
5 review within ninety days after the mailing of notice of such
6 decision to the claimant, or within such further time as the
7 Work Administrator may allow, in the United States district
8 court for the judicial district in which the claimant resides
9 or in the United States District Court for the District of
10 Columbia. A copy of such petition, together with the initial
11 process, shall forthwith be served upon the Work Adminis-
12 trator or any officer designated by him for such purpose.
13 Service may be made upon the Work Administrator by
14 registered mail, addressed to him. Within fifteen days after
15 receipt of service or within such additional time as the court
16 may allow, the Work Administrator shall certify and file
17 with the court in which such petition has been filed, a
18 transcript of the record upon which the findings and decision
19 complained of are based. Upon such filing the court shall
20 have exclusive jurisdiction of the proceeding and of the
21 question determined therein. It shall have power to enter
22 upon the pleadings and transcript of the record a decree
23 affirming, modifying, or reversing the decision of the Work
24 Administrator with or without remanding the case for
25 rehearing. The findings of the Work Administrator as to

1 the facts, if supported by evidence and in the absence of
2 fraud, shall be conclusive. No additional evidence shall be
3 received by the court, but the court may order additional
4 evidence to be taken before the Work Administrator, and
5 the Work Administrator may, after hearing such additional
6 evidence, modify his findings of fact and conclusions and
7 file such additional or modified findings and conclusions with
8 the court, and the Work Administrator shall file with the
9 court a transcript of the additional record. The judgment and
10 decree of the court shall be final, subject to review as in
11 equity cases.

12 An applicant for review of a final decision of the Work
13 Administrator concerning a claim for benefits shall not be
14 liable for costs, including costs of service, or costs of print-
15 ing records, except that costs may be assessed by the court
16 against such applicant if the court determines that the pro-
17 ceedings for such review have been instituted or continued
18 without reasonable ground.

19 (d) Each participating State agency shall arrange for
20 the payment, from funds withdrawn for such purpose from
21 the unemployment trust fund, of claims for "interim place-
22 ment benefits" granted in whole or in part, in accordance
23 with the regulations prescribed by the Work Administrator.
24 Each participating State agency, in consultation with the
25 Work Administrator, shall determine what amounts would

1 have been payable under the unemployment compensation
2 law of the State had the claims for "interim placement
3 benefits" been claims made under such State law. The
4 Work Administrator shall from time to time satisfy himself
5 as to the correctness of such determinations. The Work
6 Administrator shall, on each February 1, May 1, August 1,
7 and November 1 certify to the Secretary of the Treasury,
8 for payment into the appropriate State account in the un-
9 employment trust funds, the amount by which the payments
10 of "interim placement benefits" made on certifications of
11 the State agency in the preceding calendar quarter exceeded
12 the payments which would have been made under the un-
13 employment compensation law of the State, if the claims
14 for "interim placement benefits" had been claims for benefits
15 under such State law.

16 The Railroad Retirement Board shall certify to the
17 Secretary of the Treasury, for payment, such claims for
18 "interim placement benefits" as it finds properly payable
19 hereunder. Such payments shall be made from the Railroad
20 Unemployment Insurance Account. The Railroad Retire-
21 ment Board shall determine, in consultation with the Work
22 Administrator, what amounts would have been payable under
23 the Railroad Unemployment Insurance Act, if claims for
24 "interim placement benefits" had been filed under such Act.
25 The Work Administrator shall, on each February 1, May 1,

1 August 1, and November 1, certify to the Secretary of the
2 Treasury, for payment into the Railroad Unemployment
3 Insurance Account, the amount by which the payments of
4 "interim placement benefits" made on certifications of the
5 Railroad Retirement Board in the preceding calendar quar-
6 ter exceeded the payments which would have been made
7 from the Railroad Unemployment Insurance Account had
8 claims for "interim placement benefits" been claims for
9 benefits under the Railroad Unemployment Insurance Act.

10 The Work Administrator shall certify to the Secretary
11 of the Treasury, for payment, such claims for "interim place-
12 ment benefits" as he finds properly payable hereunder and
13 which are filed directly with the Retraining and Reemploy-
14 ment Administration.

15 (e) The Work Administrator shall, from time to time,
16 certify to the Secretary of the Treasury, for payment, to a
17 State or Territorial unemployment compensation agency, to
18 the District of Columbia Unemployment Compensation
19 Board, or to the credit of the Railroad Unemployment Insur-
20 ance administration fund, such amounts as he determines—

21 (i) equal to the administrative expenses reasonably
22 incurred by such agency, or the District of Columbia
23 Unemployment Compensation Board, or the Railroad
24 Retirement Board in excess of the expenses which would
25 have been incurred by such agency or Board for the

1 administration of unemployment compensation benefits
2 had this title not been enacted; and

3 (ii) have not been included in the basis of any
4 previous certification under this paragraph.

5 The Social Security Board shall continue to make cer-
6 tification to the Secretary of the Treasury under section
7 302 (a) of the Social Security Act on the basis of deter-
8 minations by it as to what amounts would be necessary and
9 proper for the efficient administration of each State unem-
10 ployment compensation law had this title not been enacted.

11 Subsection (c) of section 303 of the Social Security
12 Act as amended is hereby amended by adding a paragraph
13 to read as follows:

14 “(3) Until the expiration of title IV of the War
15 Mobilization Adjustment Act of 1944 that such State
16 has failed to permit the Administrator of the Retraining
17 and Reemployment Administration to determine, in
18 accordance with subsection (d) of section 410 of the
19 War Mobilization Adjustment Act of 1944, the amount
20 by which ‘interim placement benefits’ exceed benefits
21 which would have been payable under such State law
22 if claims for ‘interim placement benefits’ had been
23 claims for benefits under such State law.”

24 SEC. 311. The Work Administrator is authorized to
25 delegate (i) to any officer or employee of the Retraining

1 and Reemployment Administration, (ii) to any State un-
2 employment compensation agency, (iii) to the Railroad
3 Retirement Board, or (iv) to any member or officer of any
4 such agency or such Board any of the powers and duties
5 herein described, excluding only the power to prescribe
6 regulations. Such delegation may be revoked or modified
7 whenever the Work Administrator deems it advisable.

8 SEC. 312. The Work Administrator shall have and shall
9 exercise all the powers necessary for the effective adminis-
10 tration of this title. He may employ such persons and
11 provide for their remuneration and expenses as may be
12 necessary for the proper administration of this title. Such
13 persons shall be employed and their remuneration pre-
14 scribed according to the civil-service laws and the Classifica-
15 tion Act of 1923, as amended. Notwithstanding any other
16 provision of law or regulation, the Social Security Board
17 and the Railroad Retirement Board may disclose its records
18 of compensation to any agency or person authorized by
19 the Work Administrator to adjudicate claims for "interim
20 placement benefits". The Work Administrator shall have
21 power to compel an employer to report the amount of any
22 wage or any other information needed to adjudicate a claim
23 for "interim placement benefits".

24 SEC. 313. (a) The Secretary of Labor shall make a full
25 study and investigation as to—

1 (1) the extent to which the adoption of annual
2 wage systems would contribute to full employment and
3 rising standards of living;

4 (2) the factors in favor of and against the adoption
5 of various types of annual wage systems in various in-
6 dustries;

7 (3) present and past use of annual wage systems by
8 particular industries or individual employers;

9 (4) other wage systems which might contribute to
10 full employment and rising standards of living; and

11 (5) possible means to be used by the Government
12 through tax advantages or otherwise in promoting adop-
13 tion of annual wage systems or other wage systems de-
14 signed to bring about full employment and rising stand-
15 ards of living.

16 (b) The Secretary of Labor shall submit to the Presi-
17 dent, the Senate, and the House of Representatives, within
18 six months after the enactment of this Act, and at such later
19 dates as the Secretary may deem desirable, reports on the
20 results of the studies called for in this section.

21 TITLE IV—HOUSING AND PUBLIC WORKS

22 SEC. 401. The Administrator of the National Housing
23 Agency is authorized and directed to survey and analyze
24 national housing needs in the period of transition from war
25 to peace and thereafter, and to develop for submission to

1 the President and the Congress a comprehensive program
2 for meeting such needs through private housing and through
3 research, technical assistance, and financial aid with respect
4 to private housing and with respect to local housing under-
5 taken by communities and integrated with plans for com-
6 munity or urban redevelopment.

7 SEC. 402. (a) In order to encourage States and other
8 non-Federal public agencies to make advance provision for
9 the construction of public works (not including housing),
10 the Federal Works Administrator is hereby authorized to
11 make, from funds appropriated for that purpose, loans or
12 advances to the States and their agencies and political sub-
13 divisions (hereinafter referred to as "public agencies") to
14 aid in financing the cost of architectural, engineering, and
15 economic investigations and studies, surveys, designs, plans,
16 working drawings, specifications, procedures, and other action
17 preliminary to the construction of such public works: *Pro-*
18 *vided*, That the making of loans or advances hereunder shall
19 not in any way commit the Congress to appropriate funds to
20 undertake any projects so planned.

21 (b) Funds appropriated for the making of loans or ad-
22 vances hereunder shall be allotted by the Federal Works
23 Administrator among the several States in the following
24 proportion: 90 per centum in the proportion which the
25 population of each State bears to the total population of

1 all the States, as shown by the latest available Federal
2 census, and 10 per centum according to his discretion:
3 *Provided*, That the allotments to any State shall aggregate
4 not less than one-half of 1 per centum of the total funds
5 available for allotment hereunder: *Provided further*, That
6 no loans or advances shall be made with respect to any
7 individual project unless it conforms to an over-all local
8 or regional plan approved by competent local or regional
9 authority.

10 (c) Loans or advances under this section to any public
11 agency shall be made only upon condition that such agency
12 agree that if the construction of the public works so planned
13 is undertaken, such agency will repay to the Federal Works
14 Administrator the amounts of such loans or advances. Any
15 sums so repaid shall be covered into the Treasury as mis-
16 cellaneous receipts.

17 (d) The Federal Works Administrator is authorized
18 to prescribe rules and regulations to carry out the purposes
19 of this section.

20 (e) As used in this section, the term "State" shall
21 include Alaska, Hawaii, Puerto Rico, and the District of
22 Columbia.

23 TITLE V—MISCELLANEOUS PROVISIONS

24 SEC. 501. When used in this Act—

25 (a) The term "Government agency" means any de-

1 partment, independent establishment, or agency in the
2 executive branch of the Government, including any cor-
3 poration wholly owned by the United States.

4 (b) The term "contracting agency" means any Gov-
5 ernment agency which has been or hereafter may be author-
6 ized to make contracts pursuant to section 201 of the First
7 War Powers Act, 1941, and includes the Reconstruction
8 Finance Corporation and any corporation organized pursuant
9 to the Reconstruction Finance Corporation Act (47 Stat.
10 5), as amended, and the Smaller War Plants Corporation.

11 (c) The term "State" (except when used in title IV)
12 shall include the several States, the District of Columbia, and
13 the Territories of Hawaii and Alaska.

14 (d) Subject to the provisions of section 409 (c) and
15 section 409 (a) a "day of unemployment" with respect
16 to an employee means a calendar day on which he is able
17 to work and is available for work and with respect to which
18 (i) no remuneration in excess of 50 cents is payable or
19 accrues to him and (ii) he has in accordance with such regu-
20 lations as the Work Administrator may prescribe, registered
21 at a public employment office: *Provided*, That remuneration
22 for a working day which includes two consecutive calendar
23 days shall be deemed to have been earned on the second of
24 such days: *And provided further*, That an employee shall

1 not be deemed unable to or unavailable for work by reason
2 of illness or disability occurring after application for interim
3 placement benefits.

4 (e) A "week of unemployment" with respect to an
5 employee shall mean any period of seven consecutive cal-
6 endar days, each of which was a day of unemployment:
7 *Provided*, That any seven consecutive calendar days which
8 but for the amount of remuneration which accrues or is pay-
9 able to him would be a "week of unemployment" shall be a
10 week of unemployment if the amount of such remuneration
11 does not exceed \$3.

12 (f) A "part week of unemployment" is any period of
13 seven consecutive calendar days in which there are three or
14 more days of unemployment.

15 (g) The term "benefit year" means the twelve-month
16 period beginning on July 1 of any year and ending on June
17 30 of the next year, except that a week of unemployment
18 or a week of part unemployment beginning in June and
19 ending in July shall be deemed to be in the benefit year
20 ending in such month of June.

21 (h) The term "dependent" means—

22 (A) an unmarried child (including a stepchild or
23 adopted child), of such individual, who has not attained
24 his eighteenth birthday and who either is living in the
25 same household with the individual or is dependent

1 upon such individual for more than half his support;

2 (B) the wife of such individual if such wife either
3 is living in the same household with such individual or
4 regularly receives support from him, other than a wife
5 who is regularly engaged in rendering services for re-
6 muneratⁱon or in any occupation for profit if the remu-
7 neration for such services or from such occupation is
8 substantial;

9 (C) a parent of an unmarried individual if such
10 parent is incapable of self-support and either is living
11 in the same household with such individual or is depend-
12 ent upon such individual for more than half his support.

13 In determining whether an individual has dependents,
14 and in determining the number of such dependents, the
15 Work Administrator may find an individual's unmarried
16 child who has not attained his eighteenth birthday to be
17 the dependent of such individual if the individual certifies,
18 in such form as the Work Administrator prescribes, that
19 such child is closely related to him by blood, marriage, or
20 adoption, is unmarried, has not attained his eighteenth birth-
21 day, and either is living in the same household with him or
22 is dependent upon such individual for more than half his
23 support. The Work Administrator may find the wife of
24 an individual to be his dependent if she certifies, in such
25 form as the Work Administrator prescribes, that she is his

1 wife, either that she is living in the same household with
2 him or that he regularly contributes to her support, and
3 that she is not regularly engaged in rendering services for
4 remuneration and not engaged in any occupation for profit.
5 The Work Administrator may find the parent of an un-
6 married individual to be the dependent of such individual,
7 if such parent certifies that he is a parent of such individual.
8 is not capable of self-support, and either that he is living
9 in the same household with such individual or dependent
10 upon such individual for more than half his support.

11 (i) The term "wages" means (i) compensation as
12 defined in section 1 (i) of the Railroad Unemployment
13 Insurance Act and (ii) all remuneration for employment
14 including the cash value of all remuneration paid in any
15 medium other than cash; except that such term shall not
16 include—

17 (1) that part of the remuneration which, after
18 remuneration equal to \$3,000 has been paid to an indi-
19 vidual with respect to employment during any calendar
20 year, is paid to such individual with respect to employ-
21 ment during such calendar year;

22 (2) the amount of any payment made to, or on
23 behalf of, an employee under a plan or system estab-
24 lished by an employer which makes provision for his
25 employees generally or for a class or classes of his

employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical and hospitalization expenses in connection with sickness or accident disability, or (D) death, provided the employee (i) has not the option to receive, instead of provision for such death benefit, any part of such payment or, if such death benefit is insured, any part of the premiums (or contributions to premiums) paid by his employer, and (ii) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(3) the payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400 of the Internal Revenue Code or (B) of any payment required from an employee under a State unemployment compensation law;

1 (4) dismissal payments which the employer is not
2 legally required to make.

3 (j) The term "employment" means any service per-
4 formed after December 31, 1940, by an employee for the
5 person employing him, irrespective of the citizenship or
6 residence of either, (A) within the United States, or (B)
7 on or in connection with an American vessel under a contract
8 of service which is entered into within the United States or
9 during the performance of which the vessel touches at a
10 port in the United States, if the employee is employed on
11 and in connection with such vessel when outside the United
12 States, except—

13 (1) service performed in the employ of a foreign
14 government (including service as a consular or other
15 officer or employee or a nondiplomatic representative) ;

16 (2) service performed in the employ of an instru-
17 mentality wholly owned by a foreign government—

18 (A) if the service is of a character similar to
19 that performed in foreign countries by employees
20 of the United States Government or of an instru-
21 mentality thereof; and

22 (B) if the Secretary of State shall certify to
23 the Secretary of the Treasury that the foreign gov-
24 ernment, with respect to whose instrumentality and
25 employees thereof exemption is claimed, grants an

equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof.

(3) domestic service in a private home, local college club, or local chapter of a college fraternity or sorority;

(4) service performed by an individual in the employ of his son, daughter or spouse, or service performed by a child under the age of twenty-one in the employ of his father or mother;

(k) The term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

(l) "Public employment office" shall include an office of the United States Employment Service, a free employment office maintained and operated by the Railroad Retirement Board, or a facility maintained by an employer under the Railroad Unemployment Insurance Act designated as a free employment office by the Railroad Retirement Board,

1 and any employment facility maintained by a labor organi-
2 zation or by an employer and engaged in placing workers
3 which is designated as a "public employment office" by the
4 Work Administrator.

5 (m) "Weekly wages" means the amount determined by
6 dividing by thirteen the wages in that calendar quarter of the
7 three years preceding application for benefits in which such
8 wages were highest: *Provided, however,* That in the case of
9 any individual whose exact wages are not available or the
10 record of whose wages was not maintained by quarters, the
11 wages for any quarter shall be determined on a basis deemed
12 by the Work Administrator to be fair and equitable.

13 SEC. 502. There are authorized to be appropriated
14 such sums as may be necessary or appropriate to carry out
15 the purposes and provisions of this Act.

16 SEC. 503. The provisions of this Act shall become effec-
17 tive immediately, unless otherwise provided in the Act, and
18 unless otherwise provided shall be terminated at the end
19 of twenty-four months after the termination of the war.

20 SEC. 504. If any provision of this Act, or the applica-
21 tion of such provision to any person or circumstance, is held
22 invalid, the remainder of this Act or the application of such
23 provision to persons or circumstances, other than those as
24 to which it is held invalid, shall not be affected thereby.

25 SEC. 505. When the Director first appointed under

1 section 102 has taken office, the Office of War Mobilization
2 established by Executive Order Numbered 9347, dated May
3 27, 1943, shall cease to exist; and such records and prop-
4 erty of the Office of War Mobilization, and such unexpended
5 balances of appropriations or other funds available for its
6 use, as the President shall determine shall be transferred
7 to the Office of Mobilization and Adjustment.

8 SEC. 506. All orders, policies, procedures, or directives
9 prescribed by the Director of War Mobilization, in effect
10 upon the effective date of this Act, and not inconsistent
11 with this Act, shall remain in full force and effect unless
12 and until superseded by the Director in accordance with
13 this Act, or by operation of law.

14 SEC. 507. This Act may be cited as the "War Mobili-
15 zation and Adjustment Act of 1944".

Calendar No. 1053

78TH CONGRESS
2d Session

S. 2061

[Report No. 1036]

A BILL

To provide a national program for war mobilization and post-war adjustment.

By Mr. MURRAY and Mr. KUGORE

August 5, 1944

Placed on the calendar



THE

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued August 9, 1944, for actions of Tuesday, August 8, 1944)

(For staff of the Department only)

CONTENTS

Banking and currency.....5	Mobilization.....1,3,6	Price control.....4
Employment.....3,6	Personnel.....6	Price supports.....2
Food distribution.....4	Post-war planning.....1,3,6	Social security.....6
Food production.....4		

SENATE

1. WAR MOBILIZATION; POST-WAR PLANNING. Sen. Revercomb, W.Va., submitted the minority views to the Military Affairs Committee report on S. 2061, providing for a program of war mobilization and post-war adjustment (S.Rept. 1036, pt.2)(pp.6827-8).
2. PRICE SUPPORTS. Sen. Tydings, Md., presented a Md. State Poultry Council resolution favoring the "nonapplication of price-support measures, as provided in the so-called Steagall Act, to the production of eggs and poultry meat." To Banking and Currency Committee. (p. 6827.)
3. WAR MOBILIZATION; POST-WAR PLANNING. Sen. Murray, Mont., inserted James G. Patton's (National Farmers Union) statement regarding his proposed amendment to S.2061 (revised version of S. 1893) which would "authorize the Government to invest and spend 'the amount by which prospective private investment and construction expenditures in each year fall short of of \$40,000,000,000, the annual volume required to maintain full employment '" (pp. 6828-32).
4. CORN PRICES. Sen. Capper, Kans., inserted Acting Price Administrator 'Rogers' reply to his (and other Senators') letter to this Department, WEA, and OPA "protesting against the manner in which these agencies jointly had handled corn and corn prices" (pp. 6832-3).
5. BANKING AND CURRENCY. Sen. Butler, Nebr., inserted Bronson Trevor's statement criticizing the two monetary program agreements reached at Bretton Woods (pp.6833-4).
6. SOCIAL SECURITY. Began debate on S. 2051, to amend the Social Security Act, which includes a provision for unemployment compensation for Federal employees (pp.6835-72). Agreed to the committee amendments to this provision, including the addition of three new sections providing for advance quarterly payments to States, Federal review of State-determined eligibles and bonding requirements, and certification for payments to States (pp. 6837-8). Sen. Murray, Mont., proposed an amendment to incorporate the language of S. 2061 (see items 1 and 3 above) in this bill (pp. 6839-68); and Sen. George, Ga., submitted an amendment (to Sen. Murray's amendment) which proposes substitute language for Titles I-III of the Murray-Kilgore bill (pp. 6868-72).

78TH CONGRESS
2D SESSION

S. 2051

IN THE SENATE OF THE UNITED STATES

AUGUST 8, 1944

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. CHAVEZ to the bill (S. 2051)
to amend the Social Security Act, as amended, viz:

1 On page 10, after line 11, add a new section 104, as
2 follows:

3 "SEC. . In the administration of the benefits and
4 appropriations made under the provisions of this Act, there
5 shall be no discrimination against any person on ac-
6 count of race, creed, color, national origin, ancestry, or sex."

7 On page 18, line 1, after the words "Navy Depart-
8 ment," add: "President's Committee on Fair Employment
9 Practice".

10 On page 28, line 25, after the word "claims" add:

1 “without discrimination on account of race, creed, color,
2 national origin, ancestry, or sex”.

3 On page 41, line 8, after the words “Puerto Rico,”
4 add: “and all other possessions of the United States”.

78TH CONGRESS
2d Session

S. 2051

AMENDMENTS

Intended to be proposed by Mr. CHAVEZ to the
bill (S. 2051) to amend the Social Security
Act, as amended.

August 8, 1944

Ordered to lie on the table and to be printed

78TH CONGRESS
2D SESSION

S. 2051

IN THE SENATE OF THE UNITED STATES

AUGUST 8, 1944

Ordered to be printed

AMENDMENT

Proposed by Mr. GEORGE to the first amendment proposed by Mr. MURRAY (for himself and Mr. KILGORE) to the bill (S. 2051) to amend the Social Security Act, as amended, viz: Strike out all after section 101, and insert the following:

1 SEC. 102. (a) There is hereby established the Office
2 of War Mobilization and Reconversion, which shall be headed
3 by the Director of War Mobilization and Reconversion
4 (hereinafter called the "Director"). The Director shall be
5 appointed by the President, by and with the advice and
6 consent of the Senate, shall receive compensation at the rate
7 of \$15,000 per year, and shall serve for a term of two years.

8 (b) The following agencies shall be placed within the
9 Office of War Mobilization and Reconversion: C2

1 (1) Office of Contract Settlement, created by the Con-
2 tract Settlement Act of 1944.

3 (2) Surplus War Property Administration, created by
4 Executive Order Numbered 9425, and any surplus war
5 property administration hereafter created by statute.

6 (3) Retraining and Reemployment Administration,
7 created by Executive Order Numbered 9427, and any similar
8 office or administration created in this or any other Act.

9 Nothing in this subsection shall imply any derogation
10 of the powers of the Director under subsection (c) with
11 respect to other agencies not specifically placed within his
12 office.

13 (c) In addition to any powers which the President may
14 delegate to him for the purpose of more effectively coordinat-
15 ing the mobilization of the Nation for war, and for the pur-
16 pose of more effectively attaining the objectives of this Act,
17 the Director shall, subject to the direction of the President—

18 (1) formulate or have formulated such plans as are
19 necessary to meet the problems arising out of the transi-
20 tion from war to peace in such a manner as to achieve
21 the objectives of this Act;

22 (2) issue such directives to other executive agencies
23 as may be necessary to carry out their powers in a man-
24 ner consistent with the plans formulated under this sec-
25 tion or to coordinate the activities of other executive

1 agencies with respect to the problems arising out of the
2 transition from war to peace. Each executive agency
3 shall carry out the directives of the Director expedi-
4 tiously and, to the extent necessary to carry out such
5 directives, shall modify its operations and procedures
6 and issue regulations with respect thereto. Nothing
7 contained in this section shall be construed as authoriz-
8 ing any activities which are not within the scope of the
9 powers possessed by the President or the executive
10 agencies under existing law or future Acts of the
11 Congress;

12 (3) recommend to the Congress appropriate legis-
13 lation providing authority to carry out plans developed
14 under this section but not authorized under existing law;

15 (4) promote and assist in the development of de-
16 mobilization and reconversion plans by other executive
17 agencies; develop procedures whereby each executive
18 agency is kept informed of proposed demobilization and
19 reconversion plans and proposals which relate to its work
20 and which are being developed or carried out by other
21 executive agencies; and settle controversies between
22 such executive agencies in the development and ad-
23 ministration of such plans;

24 (5) cause studies and reports to be made for him
25 by the various executive agencies which will enable

1 him to determine the need for the simplification, con-
2 solidation, or elimination of such executive agencies as
3 have been established for the purposes of the war emer-
4 gency, for the termination, or establishment by statute,
5 of such agencies as now exist under Executive order
6 only, and for the relaxation or removal of emergency
7 war controls;

8 (6) institute a specific study, for submission to
9 the President and the Congress, of the present functions
10 of the various executive agencies in the field of man-
11 power, and develop a program for reorganizing and
12 consolidating such agencies to the fullest extent
13 practicable;

14 (7) consult and cooperate with State and local
15 governments, industry, labor, agriculture, and other
16 groups, both national and local, concerning methods of
17 achieving the objectives of this Act; and

18 (8) submit reports to the President, the Senate,
19 and the House of Representatives on the 1st days of
20 January, April, July, and October, on the activities
21 undertaken or contemplated by him under this Act.
22 Such reports shall summarize and appraise the activities
23 of the various executive agencies in the field of demobili-
24 zation and post-war adjustment, and may include such

1 legislative proposals as he may deem necessary or
2 desirable.

3 (d) The Director shall, within the limits of funds which
4 may be made available, employ and fix the compensation
5 of such deputy directors and other officers and employees,
6 and may make such expenditures for supplies, facilities, and
7 services as may be necessary to carry out his functions and
8 the functions of the Office. All such officers and employees
9 shall be appointed in accordance with the civil-service laws
10 and their compensation fixed in accordance with the Classi-
11 fication Act of 1923, as amended, except that Deputy Di-
12 rectors and expert administrative, technical, and professional
13 personnel may be employed and their compensation fixed
14 without regard to such laws. To the fullest extent prac-
15 ticable, the Director shall perform the duties imposed upon
16 him through the facilities and personnel of other Govern-
17 ment agencies. The Director may require such reports and
18 information from other Government agencies as he deems
19 necessary to enable him to carry out his functions under this
20 Act, and each Government agency shall furnish any informa-
21 tion and reports so required.

22 SEC. 103. There is hereby created an advisory board,
23 the members of which shall be appointed by the President,
24 by and with the advice and consent of the Senate, and which

1 shall include three representatives of industry, three repre-
2 sentatives of labor, three representatives of agriculture, and
3 three public members, one of whom shall be Chairman.

4 It shall be the general function of the board to advise
5 with the Director with respect to war mobilization and re-
6 conversion and make to him such recommendations relating
7 to legislation, policies, and procedures as it may deem neces-
8 sary to achieve the objectives of this Act.

9 Members of the board shall receive a per diem allowance
10 of \$25 for each day spent in the actual performance of duty,
11 plus necessary traveling and other expenses incurred while
12 so engaged.

13 SEC. 104. (a) There is hereby established a Special
14 Joint Committee on Post-war Adjustment (hereinafter re-
15 ferred to as the "committee") to be composed of four Mem-
16 bers of the Senate (not more than two of whom shall be
17 members of the majority party) to be appointed by the
18 President of the Senate, and four Members of the House of
19 Representatives (not more than two of whom shall be mem-
20 bers of the majority party) to be appointed by the Speaker
21 of the House of Representatives. Vacancies in the member-
22 ship of the committee shall not affect the power of the re-
23 maining members to execute the functions of the committee,
24 and shall be filled in the same manner as in the case of the
25 original selection. The committee shall select a chairman

1 and a vice chairman from among its members. The com-
2 mittee is empowered to appoint and fix the compensation of
3 such experts, consultants, technicians, and clerical and steno-
4 graphic assistants as it deems necessary and advisable. The
5 committee may utilize such voluntary and uncompensated
6 services as it deems necessary, and is authorized to utilize
7 the services, information, facilities, and personnel of the de-
8 partments and agencies of the Government. The expenses
9 of the committee shall be paid one-half from the contingent
10 fund of the Senate and one-half from the contingent fund of
11 the House of Representatives upon vouchers signed by the
12 chairman.

13 (b) It shall be the function of the committee—

14 (1) to make a full and complete study and investi-
15 gation with regard to legislation on demobilization and
16 post-war adjustment in cooperation with such public and
17 private agencies and such persons as it might see fit to
18 consult;

19 (2) to consult with the President and the Director
20 on the need for legislation on demobilization and post-
21 war adjustment;

22 (3) to consult with the appropriate standing com-
23 mittees in the Senate and in the House of Representa-
24 tives on the preparation of demobilization and post-war
25 adjustment legislation, and on methods of obtaining ex-

1 peditious action on demobilization and post-war adjust-
2 ment legislation by achieving coordination among, and
3 avoiding duplication of effort between, such committees;
4 and

(4) to study and review each report submitted to the Congress by the Director, and otherwise maintain continuous surveillance of the operations of the Director and other executive agencies under this Act.

9 TITLE II—INDUSTRIAL DEMOBILIZATION AND
10 RECONVERSION

11 SEC. 201. Any contracting agency shall terminate prime
12 contracts for war production whenever in the opinion of
13 the agency the performance under such contracts will not
14 be needed for the prosecution of the war, and shall not
15 continue performance under such contracts merely for the
16 purpose of providing business and employment, or for any
17 purposes other than the prosecution of the war, unless the
18 continuation of some or all of the work under any such
19 contract will benefit the Government or is necessary to avoid
20 substantial injury to a plant or property.

21 SEC. 202. Curtailments of war production or termi-
22 nations of war contracts shall be integrated and synchronized
23 with the expansion, resumption, or initiation of production
24 for other war purposes, and, to the greatest extent com-

1 patible with the effective prosecution of the war, of produc-
2 tion for nonwar use. To effectuate this policy—

3 (a) the contracting agencies shall continuously sur-
4 vey their product and material requirements and report
5 to the Director, in such form and detail as he may de-
6 termine, on current and anticipated changes in require-
7 ments and on all anticipated curtailments of war pro-
8 duction or terminations of war contracts:

9 (b) The Government agencies exercising control
10 over manpower, production, or materials shall permit
11 the expansion, resumption, or initiation of production
12 for nonwar use whenever such production does not
13 require materials, components, facilities, or labor needed
14 for war purposes, or will not otherwise adversely affect
15 or interfere with the production for war purposes. Such
16 production for nonwar use shall be permitted regardless
17 of whether one or more competitors normally engaged
18 in the same type of production are still engaged in the
19 performance under any contract which is needed for
20 the prosecution of the war, and shall not be made
21 dependent upon the existence of a concern or the func-
22 tioning of a concern in a given field of activity at a
23 given time;

24 (c) the Director shall—

1 (1) establish policies to be followed by the
2 contracting agencies in selecting individual con-
3 tracts or classes of contracts for curtailment, non-
4 renewal, or termination;

5 (2) establish policies providing for full con-
6 sultation between the Government agencies, war
7 contractors, and the representatives of the em-
8 ployees of war contractors with regard to obtain-
9 ing the most effective use in other war production
10 or in production for nonwar use of facilities and
11 manpower to be released through anticipated cur-
12 tailments in war production or terminations of war
13 contracts.

14 SEC. 203. (a) Whenever the expansion, resumption, or
15 initiation of production for nonwar use is authorized by any
16 Government agency having control over manpower, produc-
17 tion, or materials, on a restricted basis, the restrictions im-
18 posed shall not be such as to prevent any small plant capable
19 and desirous of participating in such expansion, resumption,
20 or initiation of production for nonwar use from achieving
21 reasonable economies of operations in such production.

22 (b) Whenever such Government agency allocates avail-
23 able materials for the production of any item or group of
24 items for nonwar use, it shall set aside a percentage of such
25 materials for the exclusive use by small plants for the pro-

1 duction of such item or group of items. Such percentage
2 shall be determined by the head of such agency after giving
3 full consideration to the claims presented by the chairman
4 of the board of directors of the Smaller War Plants
5 Corporation.

6 In allocating the materials thus set aside among such
7 small plants, such Government agency shall follow the
8 criteria, standards, quotas, schedules, or other conditioning
9 factors to be established by the chairman of the board of
10 directors of the Smaller War Plants Corporation. For the
11 purposes of this title, a small plant means any small business
12 concern engaged primarily in production or manufacturing
13 either employing two hundred and fifty wage earners or less,
14 or coming within such other categories as may be estab-
15 lished by the head of such Government agency in consulta-
16 tion with the chairman of the board of directors of the
17 Smaller War Plants Corporation. Such other categories
18 shall be defined by taking into consideration the comparative
19 sizes of establishments in a particular industry as reflected
20 by sales volumes, quantities of materials consumed, capital
21 investments, or by other criteria which are reasonably attrib-
22 utable to small plants rather than medium or large size plants.

23 SEC. 204. The Attorney General is directed to make
24 surveys for the purpose of determining any factors which
25 may tend to eliminate competition, create or strengthen

1 monopolies, injure small business, or otherwise promote
2 undue concentration of economic power in the course of war
3 mobilization and during the period of transition from war to
4 peace and thereafter. The Attorney General shall submit
5 to the Congress within ninety days after the approval of this
6 Act, and at such times thereafter as he deems desirable,
7 reports setting forth the results of such surveys and including
8 recommendations for such legislation as he may deem neces-
9 sary or desirable.

10 TITLE III—RETRAINING AND REEMPLOYMENT

11 SEC. 301. There is hereby established a Retraining and
12 Reemployment Administration (hereinafter referred to as
13 the "Administration"), the functions of which, subject to
14 the general supervision of the Director of War Mobilization
15 and Reconversion, shall be exercised by a Retraining and
16 Reemployment Administrator (hereinafter in this title re-
17 ferred to as the "Administrator"), to be appointed by the
18 Director of War Mobilization and Reconversion, at a salary
19 of \$12,000 per annum.

20 SEC. 302. With the assistance of a Retraining and Re-
21 employment Policy Board, composed of a representative of
22 the Department of Labor, the Federal Security Agency, the
23 War Manpower Commission, the Selective Service System,
24 the Veterans' Administration, the Civil Service Commission,
25 the War Department, the Navy Department, and the War

1 Production Board, it shall be the function of the Adminis-
2 tration—

3 (a) to have general supervision and direction of
4 the activities of all Government agencies relating to the
5 retraining and reemployment of persons discharged or
6 released from the armed services or other war work,
7 including all work directly affected by the cessation of
8 hostilities or the reduction of the war program; to issue
9 necessary regulations and directions in connection there-
10 with;

11 (b) in consultation with the Government agencies
12 concerned, to develop plans and programs relating to
13 such retraining and reemployment.

14 SEC. 303. The Administrator shall have power to pro-
15 vide transportation, including transportation of dependents
16 and household effects for civilian workers who have been
17 employed in activities essential to the war effort, from the
18 place of such employment to the location of their bona fide
19 residence within the continental United States prior to their
20 migration to war employment, or, at the election of such
21 worker, to any other location of new employment arranged
22 by the worker: *Provided*, That the cost of such transporta-
23 tion shall not exceed \$200 for any one worker, his depend-
24 ents, and household effects, and shall not exceed the amount
25 allowable for civilian employees of the several departments

1 and independent establishments of the Federal Government
2 in the Standard Government Travel Regulations.

3 SEC. 304. The War and Navy Departments shall dis-
4 charge from the armed forces of the United States the men
5 and women serving therein during the present war as rapidly
6 as the appropriate department determines that the services of
7 such persons are no longer needed for the prosecution of
8 the war or for the national defense, and shall not retain such
9 persons in the armed forces merely for the purpose of
10 preventing unemployment or awaiting opportunities for
11 employment.

12 SEC. 305. The Administrator shall confer with all exist-
13 ing Federal, State, and local agencies and officials in charge
14 of existing programs relating to vocational education, voca-
15 tional rehabilitation, training in industry, and other similar
16 programs, and secure the expansion of such programs when
17 and if necessary. If he finds that such expansion cannot be
18 secured, or can only be secured by additional Federal legis-
19 lation or assistance, he shall recommend to Congress such
20 appropriations and legislation as he considers necessary to
21 carry out the provisions of this Act.

22 SEC. 306. The Administrator shall, within the limits of
23 funds which may be made available, employ and fix the
24 compensation of such Assistant Administrators and other
25 officers and employees, and may make such expenditures for

1 supplies, facilities, and services as may be necessary to carry
2 out his functions and the functions of the Office. All such
3 officers and employees shall be appointed in accordance with
4 the civil-service laws and their compensation fixed in accord-
5 ance with the Classification Act of 1923, as amended, except
6 that Assistant Administrators and expert administrative,
7 technical, and professional personnel may be employed and
8 their compensation fixed without regard to such laws. To
9 the fullest extent practicable, the Administrator shall perform
10 the duties imposed upon him through the facilities and per-
11 sonnel of other Government agencies.

AMENDMENT

Proposed by Mr. George to the first amendment proposed by Mr. Murray (for himself and Mr. Krigore) to the bill (S. 2051) to amend the Social Security Act, as amended.

August 8, 1944

Ordered to be printed

78TH CONGRESS
2D SESSION

S. 2051

IN THE SENATE OF THE UNITED STATES

AUGUST 8, 1944

Ordered to be printed

AMENDMENTS

Proposed by Mr. MURRAY (for himself and Mr. KILGORE)
to the bill (S. 2051) to amend the Social Security Act,
as amended, viz: On page 1, line 2, after the enacting clause,
insert the following:

1 “TITLE I—GENERAL PROVISIONS

2 “SEC. 101. The Congress hereby declares that the objec-
3 tives of this Act are—

4 “(a) to facilitate maximum war production during
5 the war and to expedite the transition from war to peace;

6 “(b) to achieve full employment, rising standards
7 of living, and effective utilization of the Nation's resources
8 during the period of transition from war to peace, and
9 thereafter; and

1 “(c) to provide for the development of unified plans
2 and projects and adequate machinery to achieve the
3 foregoing objectives.

4 “SEC. 102. (a) There is hereby established in the
5 Executive Office of the President, the Office of War Mobiliza-
6 tion and Adjustment (hereinafter called the ‘Office’), which
7 shall be headed by the Director of War Mobilization and
8 Adjustment (hereinafter called the ‘Director’). The Di-
9 rector shall be appointed for a term of two years by the
10 President, by and with the advice and consent of the
11 Senate, and shall receive compensation at the rate of \$15,000
12 per year.

13 “(b) There is hereby established in the Office of War
14 Mobilization and Adjustment a Division of Programs and
15 Projects to be headed by a Deputy Director, who shall be
16 appointed for a term of two years by the President, by and
17 with the advice and consent of the Senate, and shall receive
18 compensation at the rate of \$10,000 per year. It shall be
19 the function of the Deputy Director and the Division of
20 Programs and Projects to assist the Director in discharging
21 his responsibilities under subsection (c) of this section.

22 “(c) In addition to any authority which the President
23 may delegate to him, the Director shall, subject to the direc-
24 tion of the President and with the assistance of the Deputy
25 Director—

1 “(1) formulate or cause to be formulated plans to
2 meet the problems of war mobilization and post-war
3 adjustment in such a manner as to achieve the objec-
4 tives of this Act;

5 “(2) issue such directives on policy, plans, and
6 operations to other Government agencies as may be
7 necessary to carry out, and to coordinate their activities
8 in connection with, such plans, and review the programs
9 and activities of other Government agencies with respect
10 to war mobilization and post-war adjustment. Each
11 Government agency shall carry out the directives of the
12 Director expeditiously, and, to the extent necessary there-
13 for, shall modify its operations and procedures and pre-
14 scribe further regulations with respect thereto. Nothing
15 contained in this section shall be construed as authorizing
16 any activities to carry out any plan formulated under
17 this section which are not within the scope of the powers
18 possessed by the President or the Government agencies
19 under the Constitution or under provisions of law other
20 than this section;

21 “(3) recommend to the Congress appropriate legis-
22 lation to carry out plans developed by him but not
23 authorized to be carried out under existing law;

24 “(4) evaluate and report on current and projected
25 public and private activities affecting war mobilization

1 and peacetime full production and employment; survey
2 continuously the necessity for such additional programs of
3 legislation as will achieve the objectives of this Act; pro-
4 mote and assist in the development of war mobilization
5 and post-war adjustment plans and surveys by other Gov-
6 ernment agencies; such surveys shall include (without be-
7 ing limited thereto) programs and measures for public
8 works, housing, taxation, industrial and regional develop-
9 ment, expansion of foreign trade, social security, and the
10 maintenance of competitive enterprise; develop proce-
11 dures to inform each Government agency of proposed war
12 mobilization and post-war adjustment plans and proposals
13 related to its work which are being developed or carried
14 out by any other Government agency; and settle contro-
15 versies between Government agencies in the development
16 and administration of their plans or plans developed by
17 the Director;

18 “(5) make or cause to be made studies which will
19 enable him to determine the need for (A) simplifying,
20 consolidating, or eliminating Government agencies estab-
21 lished for purposes of the war emergency, and (B) re-
22 establishing by statute or terminating agencies which
23 exist under Executive order only and for the relaxation or
24 removal of emergency war controls;

25 “(6) institute a specific study of the present func-

tions of the various Government agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

“(7) survey continuously all rules, regulations, and orders issued by any Government agency exercising control over manpower, production, or materials, for the purpose of determining whether any such rules, regulations, or orders prevent or hinder the full employment of the Nation’s manpower by private employers capable and desirous of resuming, expanding, or initiating production for nonwar use. Whenever the Director determines that any such rule, regulation, or order so prevents or hinders full employment and is not required for the purpose of insuring production for war purposes, he shall direct such Government agency to rescind, modify, or amend such rule, regulation, or order;

“(8) consult and cooperate with State and local Governments, industry, labor, agriculture and other groups, both national, regional, and local, concerning methods of achieving the objectives of this Act; and

“(9) submit reports to the President, the Senate and the House of Representatives on the first days of January, April, July, and October, on the activities

1 undertaken by him under this Act. Such reports shall
2 summarize and appraise the activities of the various
3 Government agencies in the fields of war mobilization
4 and post-war adjustment, and may include such legisla-
5 tive proposals as he may deem necessary or desirable.

6 “(d) The Director shall, within the limits of funds which
7 may be made available, employ and fix the compensation
8 of such Assistant Directors and other officers and employees,
9 and may make such expenditures for supplies, facilities, and
10 services as may be necessary to carry out his functions and
11 the functions of the Office. All such officers and employees
12 shall be appointed in accordance with the civil-service laws
13 and their compensation fixed in accordance with the Classifi-
14 cation Act of 1923, as amended, except that Assistant Direc-
15 tors and expert administrative, technical, and professional
16 personnel may be employed and their compensation fixed
17 without regard to such laws. To the fullest extent practicable
18 the Director shall perform the duties imposed upon him
19 through the facilities and personnel of other Government
20 agencies. The Director may require such reports and in-
21 formation from other Government agencies as he deems
22 necessary to enable him to carry out his functions under
23 this Act, and each Government agency shall furnish any
24 information and reports so required.

25 “SEC. 103. (a) There is hereby created a National Pro-

1 duction-Employment Board (hereinafter in this title called
2 the 'Board'), the members of which shall be appointed by
3 the President, by and with the advice and consent of the
4 Senate, and which shall include three representatives of in-
5 dustry, three representatives of labor, three representatives of
6 agriculture, and one public member who shall be Chairman.
7 An alternate for each member of the Board other than the
8 Chairman shall be appointed by the President, by and with
9 the advice and consent of the Senate, to sit and act for such
10 member when authorized by such member to sit and act for
11 him. The Board shall, by a majority vote of its members,
12 determine the rules of its procedure, except as otherwise
13 defined by this Act, and the powers conferred on the Board
14 by this Act may be exercised by a majority vote.

15 “(b) It shall be the general function of the Board to
16 review the programs and activities of the Director and other
17 Government agencies with respect to war mobilization and
18 post-war adjustment and make to the President, the Con-
19 gress, and the Director such recommendations relating to
20 legislation, policies, and procedures as it may deem necessary
21 to achieve the objectives of this Act.

22 “(c) The Deputy Director shall serve as the executive
23 secretary of the Board. He shall prepare, upon request of
24 the Board, such reviews of plans, reports, and studies, and
25 shall secure for the Board and each individual member

1 thereof such other information from the Director, as may be
2 necessary to enable the Board to discharge its functions under
3 this Act.

4 “(d) The Director, the Chairman of the War Production
5 Board, and such other Federal officials performing functions
6 subject to direction by the Office, as shall be designated by
7 the Board, shall meet with it at least once a month at such
8 times as may be designated by the Chairman of the Board to
9 consult and advise with it on all basic policies and pro-
10 grams which are subject to direction by the Office.

11 “(e) In order to provide for the effective cooperation
12 of industry, agriculture, and labor with respect to the war
13 mobilization and post-war adjustment problems of particular
14 industries and areas, the Director, with the advice and con-
15 sent of the Board, shall—

16 “(1) establish industry advisory councils for the
17 various industries, and area advisory councils for various
18 geographic areas, which are substantially and directly
19 affected by the policies, programs, and operations of Gov-
20 ernment agencies performing functions subject to the
21 jurisdiction of the Office: *Provided*, That full information
22 on all such councils shall be submitted to the Attorney
23 General and no such councils shall continue any opera-
24 tions or activities which the Attorney General finds and

certifies to the Director tend to promote the restraint of trade or the extension of monopoly;

“(2) appoint and fix the number of the members of such councils. The members of such councils shall be representative in the industry concerned or area concerned, as the case may be, of industry, labor, and wherever appropriate, agriculture;

“(3) define the industries or areas with respect to which such councils, respectively, shall have jurisdiction;

“(4) prescribe rules and regulations governing the organization, procedures, and operations of such councils; and such rules and regulations shall contain appropriate provisions protecting confidential Government information and preventing the operations of such councils from unduly interfering with or delaying the operations of Government agencies; and

“(5) prescribe rules and regulations governing the extent to which Government agencies performing functions subject to the jurisdiction of the Office shall consult and advise with such councils with respect to the formulation and execution of policies and programs affecting the industries or areas represented by such councils.

“(f) All appointments of members or alternates to the Board, and of members of the area and industry advisory

1 councils, may be made without regard to any of the pro-
2 visions of law with respect to the appointment and compen-
3 sation of employees of the United States. Members and
4 alternates of the Board shall serve without remuneration,
5 except for per diem allowances as shall be prescribed by the
6 Director, not to exceed \$25 each day spent in the actual
7 performance of duty, plus necessary traveling and other
8 expenses incurred while so engaged.

9 “(g) The Director, through the facilities of the Office,
10 shall provide the Board with such technical and clerical staff
11 as may be necessary.

12 “TITLE II—INDUSTRIAL DEMOBILIZATION AND
13 RECONVERSION

14 “SEC. 201. Subject to the provisions of this Act, any
15 contracting agency shall terminate contracts for war produc-
16 tion whenever in the opinion of the agency the performance
17 under such contracts will not be needed for the prosecution
18 of the war, and shall not continue performance under such
19 contracts merely for the purpose of providing business and
20 employment, or for any purposes other than the prosecution
21 of the war, unless the continuation of some or all of the work
22 under any such contract will benefit the Government or is
23 necessary to avoid substantial injury to the plant or property.

24 “SEC. 202. Curtailments of war production or termina-
25 tions of war contracts shall be integrated and synchronized

1 with the expansion, resumption, or initiation of production
2 for other war purposes, and, to the greatest extent compatible
3 with the effective prosecution of the war, of production for
4 non-war use. To effectuate this policy—

5 “(a) the contracting agencies shall continuously
6 survey their product and material requirements and
7 report to the Chairman of the War Production Board, in
8 such form and detail as he may determine, on current
9 and anticipated changes in requirements and on all
10 anticipated curtailments of war production or termina-
11 tions of war contracts.

12 “(b) the War Production Board and other Govern-
13 ment agencies exercising control over manpower,
14 production, or materials shall permit the expansion,
15 resumption, or initiation of production for non-war use
16 whenever such production does not require materials,
17 components, facilities, or labor needed for war purposes,
18 or will not otherwise adversely affect or interfere with
19 the production for war purposes. Permission to produce
20 any item or group of items for non-war use shall not
21 be restricted to plants previously engaged in the pro-
22 duction of such items or group of items, and shall not be
23 withheld from any plant for the reason that any other
24 plant is occupied with war contracts and cannot there-

1 fore produce such item or group of items for non-war
2 use at that time.

3 “(c) the Chairman of the War Production Board
4 shall, subject to the direction of the Director—

5 “(1) establish a Production Adjustment Com-
6 mittee which shall consist of representatives of the
7 Department of War, the Department of the Navy,
8 the Maritime Commission, the Reconstruction Fi-
9 nance Corporation, the Foreign Economic Admin-
10 istration, the War Manpower Commission, the Office
11 of Price Administration, and of the War Production
12 Board (including the Chairman of the Board of
13 Directors of the Smaller War Plants Corporation,
14 the Vice Chairman for Civilian Requirements, and
15 the Vice Chairmen for Labor Production and Man-
16 power Requirements), and such other representa-
17 tives of Federal agencies as the Director may desig-
18 nate, and shall advise and consult with the Produc-
19 tion Adjustment Committee with respect to the
20 functions vested in him by this section;

21 “(2) establish policies and procedures to be fol-
22 lowed by the contracting agencies in the curtail-
23 ment, nonrenewal, and termination of contracts, to
24 include as he may deem necessary the submission of
25 detailed programs for approval;

1 “(3) establish policies and procedures providing
2 for full consultation between the contracting agen-
3 cies and prime contractors, and to the extent feasible
4 with subcontractors, with respect to the selection
5 of subcontracts for curtailment, nonrenewal, or ter-
6 mination;

7 “(4) establish policies and procedures for pro-
8 viding war contractors and their employees with
9 notice of curtailments in war production or termina-
10 tion of war contracts as far in advance of curtail-
11 ment or termination as is feasible and consistent
12 with the national security without permitting un-
13 needed production or performance;

14 “(5) consult with other Government agencies,
15 war contractors and subcontractors, and the repre-
16 sentatives of the employees of war contractors with
17 regard to obtaining the most effective use in other
18 war production or in production for nonwar use of
19 facilities and manpower released through curtail-
20 ments in war production or terminations of war
21 contracts.

22 “(d) Subsection (a) of section 11 of the Contract Set-
23 tlement Act of 1944 is hereby repealed.

24 “SEC. 203. (a) Whenever the expansion, resumption,
25 or initiation of production for nonwar use is authorized, on

1 a restricted basis, by the War Production Board or any other
2 Government agency having control over manpower, produc-
3 tion, or materials, the restrictions imposed shall not be such
4 as to prevent any small plant capable and desirous of par-
5 ticipating in such expansion, resumption, or initiation of
6 production for nonwar use from achieving reasonable econo-
7 mies of operations in such production.

8 “(b) Whenever the War Production Board or such
9 other Government agency releases or authorizes the use of
10 any materials, subject to quotas, production schedules, or any
11 other restrictions, for the production of any item or group of
12 items for nonwar use, it shall set aside a percentage of such
13 materials for the exclusive use by small plants for the produc-
14 tion of such item or group of items. Such percentage shall
15 be determined by the Chairman of the War Production
16 Board or the head of such other Government agency after
17 giving full consideration to the claims presented by the chair-
18 man of the board of directors of the Smaller War Plants Cor-
19 poration.

20 “In allocating the materials thus set aside among such
21 small plants, the Chairman of the War Production Board
22 or the head of such other Government agency shall follow
23 the criteria, standards, quotas, schedules, or other condition-
24 ing factors to be established by the chairman of the board

1 of directors of the Smaller War Plants Corporation and
2 shall prevent any discrimination against such small plants
3 in the sale and delivery of such materials. For the purposes
4 of this title, a small plant means any small business concern
5 engaged primarily in production or manufacturing employ-
6 ing two hundred and fifty wage earners or less. The Chair-
7 man of the War Production Board or the head of such other
8 Government agency may agree with the chairman of the
9 board of directors of the Smaller War Plants Corporation
10 that other business concerns may be considered small plants
11 by reason of their relative size in industry.

12 “SEC. 204. The Attorney General is directed to make
13 surveys for the purpose of determining any factors which
14 may tend to eliminate competition, create or strengthen
15 monopolies, injure small business, or otherwise promote
16 undue concentration of economic power in the course of war
17 mobilization and during the period of transition from war to
18 peace and thereafter. The Attorney General shall submit
19 to the Congress within ninety days after the approval of this
20 Act, and at such times thereafter as he deems desirable,
21 reports setting forth the results of such surveys and including
22 recommendations for such legislation as he may deem neces-
23 sary or desirable.

1 "TITLE III—RETRAINING AND REEMPLOYMENT
2 OF WAR WORKERS AND RETURNING
3 SERVICEMEN

4 "SEC. 301. The Congress hereby declares that the ob-
5 jectives of this title are—

6 "(a) To facilitate the most effective mobilization and
7 maximum utilization of the Nation's manpower in the
8 prosecution of the war;

9 "(b) To maintain maximum employment in the tran-
10 sition from war- to peace-time production;

11 "(c) To provide for the coordination of the demobiliza-
12 tion of servicemen with employment opportunities under a
13 policy of demobilizing servicemen as rapidly as the military
14 situation permits;

15 "(d) To provide necessary training of ex-servicemen
16 and war workers; and

17 "(e) To provide the necessary economic assistance to
18 returning ex-servicemen and war workers in connection
19 with transfer, training, and reemployment.

20 "SEC. 302. There is hereby created a Retraining and
21 Reemployment Administration to be headed by an Admin-
22 istrator who shall be appointed by the President by and with
23 the advice and consent of the Senate, and who shall receive a
24 compensation of \$12,000 per annum. It shall be the function

1 of the Administrator of the Retraining and Reemployment
2 Administration (hereinafter referred to as the Work Admin-
3 istrator), subject to the discretion and control of the Director,
4 to establish a unified reemployment program covering recruit-
5 ment, training, transfer, and placement of returning service-
6 men and workers in war and civilian production. The reem-
7 ployment program shall include provision for compiling full
8 detail on declining and increasing employment opportunities
9 (by industrial segments, geographic areas, and plants) result-
10 ing from curtailment in war production and resumption of
11 civilian production; for placement of workers in appropriate
12 employment; and for interim financing of workers, including
13 returning servicemen, pending placement in accordance with
14 the authority of this title. The Work Administrator shall
15 prescribe regulations and issue directives to Federal agencies
16 necessary to effectuate the objectives of this title and all such
17 Federal agencies shall be governed by these.

18 "SEC. 303. The Work Administrator shall consult and
19 advise with a Committee on Retraining and Reemployment,
20 consisting of one representative from each of the following:
21 Department of Labor, Veterans' Administration, War Man-
22 power Commission (for the War Manpower Commission
23 and the Federal Security Agency), War Production Board,
24 Selective Service System, Civil Service Commission, War

1 Department, Navy Department, and such other Federal
2 agencies as the Work Administrator may designate.

3 “SEC. 304. (a) The War Production Board and other
4 agencies having data on production changes and employ-
5 ment opportunities shall furnish the Work Administrator full
6 information on current and projected schedules of military
7 and civilian production in such detail as the Work Admin-
8 istrator shall deem necessary.

9 “(b) The War and Navy Departments shall furnish data
10 on current and projected rates of discharge of servicemen
11 providing such details concerning the servicemen as the
12 Work Administrator may deem necessary and is practicable
13 for the War and Navy Departments to furnish. It shall be
14 the duty of the War and Navy Departments to anticipate so
15 far as practicable, the forward programs of demobilization
16 of servicemen, and to cooperate with the Work Administrator
17 in furnishing such data on such demobilization as military
18 security permits.

19 “(c) The War and Navy Departments shall discharge
20 from the armed forces of the United States the men and
21 women serving therein during the present war as rapidly
22 as the appropriate department determines that the services
23 of such persons are no longer needed for the prosecution of
24 the war or for the national defense, and shall not retain
25 such persons in the armed forces merely for the purpose

1 of preventing unemployment or awaiting opportunities for
2 employment.

3 "SEC. 305. The Work Administrator may perform the
4 functions and exercise the powers, authority, and discretion
5 conferred on him by this Act through such officials and such
6 agencies and in such manner as the Work Administrator,
7 subject to the provisions of this Act, may determine. In
8 carrying out the purposes of this Act, the Administration
9 may utilize the services of any other Government agency.

10 "SEC. 306. (a) In order to facilitate the recruitment,
11 training, transfer, and placement of workers and ex-service-
12 men, the Work Administrator is hereby authorized to pay the
13 cost of transportation of workers and ex-servicemen, includ-
14 ing transportation of dependents and household effects, from
15 their last previous residence to new jobs, in accordance
16 with such regulations as may be prescribed by the Work
17 Administrator: *Provided*, That such transportation allow-
18 ances shall not exceed the allowances provided for Govern-
19 ment employees in the Standard Government Traveling
20 Regulations, as approved by the President.

21 "(b) The United States Employment Service shall be
22 continued as a nationally operated system of public employ-
23 ment offices for a period of two years after the termination
24 of hostilities as proclaimed by the President or by concurrent
25 resolution of the Congress.

1 “SEC. 307. (a) Whenever he deems it necessary, in
2 order to give effect to the objectives of this title, the Work
3 Administrator is authorized to provide to any person voca-
4 tional free education or training, of not more than six months
5 of full-time study or its equivalent in part-time study in addi-
6 tion to any free education or training now provided by law.

7 “(b) Every person, while he is receiving vocational edu-
8 cation or training on a full-time basis, shall be entitled to
9 receive a maintenance allowance at the rate of \$50 a month
10 if he has no dependent, \$75 if he has one dependent, and
11 \$100 if he has two or more dependents. The Work Admin-
12 istrator may provide for maintenance allowances, under such
13 conditions and in such amounts as may be prescribed by
14 regulations, to servicemen and civilian workers receiving
15 education or training on a part-time basis; but no such
16 allowance shall be paid to any person receiving training on
17 the job. Persons undergoing such training shall not be
18 eligible for interim placement benefits during the period of
19 such training.

20 “(c) The Work Administrator shall from time to time
21 make available information respecting the need for general
22 education and for trained personnel in the various trades,
23 crafts, and professions. He shall make educational and voca-
24 tional guidance generally available.

1 “SEC. 308. Section 2 of the Mustering-Out Payment Act
2 of 1944 is amended to read as follows:

3 “‘SEC. 2. Mustering-out payment for persons eligible
4 under section 1 shall be made in equal monthly installments.
5 The first installment shall be paid at the time of final dis-
6 charge or ultimate relief from active service, and the remain-
7 ing installments shall be paid in successive months thereafter.
8 Each installment shall be at the rate of \$100 if the member
9 of the armed forces has no dependent, \$125 if he has one
10 dependent, and \$150 if he has two or more dependents. All
11 persons shall be entitled to two installments plus an addi-
12 tional installment for each year of active service or major
13 fraction thereof. Any person who has served outside the
14 continental limits of the United States or in Alaska shall be
15 entitled to a further additional installment.’

16 “SEC. 309. (a) Every unemployed qualified employee
17 (as defined in section 310) shall be entitled, upon regis-
18 tration with a public employment office designated by the
19 Work Administrator, to placement in suitable employment
20 if available.

21 “(b) ‘Interim placement benefits’ shall be paid to
22 any qualified employee (as defined in section 310) with
23 respect to each week of unemployment or part week of
24 unemployment occurring during the period beginning the

1 third calendar month after the date of enactment hereof
2 and ending with the last day of the twenty-fourth calendar
3 month following the termination of war: *Provided*, That,
4 for a person who is an ex-serviceman, benefits shall accrue
5 for unemployment occurring in the twenty-four calendar
6 months after his discharge or release from military service, if
7 such twenty-four calendar months shall end subsequent to
8 the twenty-four calendar months following the termination
9 of the war. For a qualified employee the 'interim place-
10 ment benefit' payable for a week of unemployment in any
11 benefit year shall be 75 per centum of 'weekly wages':
12 *Provided, however*, That these amounts shall be rounded
13 upwards to the nearest dollar, but shall not in any event
14 exceed \$20 for an individual if he has no dependents, \$25
15 if he has one dependent, \$30 if he has two dependents, and
16 \$35 if he has three or more dependents: *Provided further*,
17 That for a qualified employee who is an ex-serviceman, the
18 'interim placement benefit' payable for a week of unemploy-
19 ment shall be \$20 if such ex-serviceman has no dependent,
20 \$25 if he has one dependent, \$30 if he has two dependents,
21 and \$35 if he has three or more dependents: *And provided*
22 *further*, That the benefit rate of a qualified employee in any
23 benefit year shall be not less than the rate established in the
24 first benefit year for such employee.

25 "The 'interim placement benefit' payable for a part week

1 of unemployment in any benefit year shall be one-fifth of
2 the benefit for a week of unemployment multiplied by the
3 number of days of unemployment in excess of two in such
4 week.

5 “(c) There shall not be considered as a day of unemploy-
6 ment, with respect to any employee—

7 “(i) any day on which he fails to maintain, in accord-
8 ance with regulations prescribed by the Work Adminis-
9 trator, a registration at a public employment office;

10 “(ii) any Sunday not preceded by a day of un-
11 employment and unless it be the last day of a week
12 of unemployment or a part week of unemployment,
13 not followed by a day of unemployment; and

14 “(iii) any day in any period with respect to which
15 he is receiving or has received annuity payments or
16 pensions under the Railroad Retirement Act of 1935
17 or the Railroad Retirement Act of 1937 or insurance
18 benefits under title II of the Social Security Act, or
19 annuities under the Civil Service Retirement Act, or a
20 vocational education or training allowance under this
21 title, or a mustering-out payment, or unemployment
22 benefits under an unemployment compensation law of
23 any State or of the United States: *Provided*, That if
24 any such payment is less in amount than the ‘interim
25 placement benefits’ under this Act which, but for this

1 paragraph, would be payable with respect to such period,
2 the preceding provisions of this paragraph shall not
3 apply but such 'interim placement benefits' shall be
4 diminished in the amount of such other payments.

5 “(d) There shall not be considered as a day of unem-
6 ployment, with respect to any employee, any day in a period
7 of not more than five weeks, beginning with a day with
8 respect to which the agency administering benefits finds
9 that—

10 “(i) he failed, without good cause, to accept suit-
11 able work available on such day and offered to him, or
12 to comply with instructions from a public employment
13 office to apply for such work or to report, in person, or
14 by mail, as directed, to such office;

15 “(ii) he was properly discharged or suspended for
16 misconduct related to his employment;

17 “(iii) he left work voluntarily, without good cause;

18 “(iv) subject to the provisions of subsection (e) of
19 this section, his unemployment was due to a stoppage of
20 work because of a strike in the establishment, premises,
21 or enterprise at which he was last employed;

22 “(v) he knowingly made, or aided in making, or
23 caused to be made any false or fraudulent statement or
24 claim for the purpose of causing benefits to be paid.

1 The length of the periods of disqualification, within the
2 limit of five weeks specified above, with respect to the
3 findings herein set forth shall be fixed by regulations
4 prescribed by the Work Administrator.

5 “(e) The disqualification provided in section 409 (d)
6 (iv) of this Act shall not apply if the agency administering
7 benefits finds that—

8 “(i) the employee is not directly interested in the
9 labor dispute which causes the stoppage of work; and

10 “(ii) he does not belong to a grade or class of
11 workers of which, immediately before the commence-
12 ment of the stoppage, there were members employed
13 in the establishment, premises, or enterprise at which
14 the stoppage occurs, any of whom are directly inter-
15 ested in the labor dispute: *Provided*, That if separate
16 types of work are commonly conducted in separate
17 departments of a single enterprise, each such department
18 shall, for the purposes of this subsection, be deemed
19 to be a separate establishment, enterprise, or other
20 premises.

21 “(f) No work shall be deemed suitable for the purposes
22 of this section, and benefits shall not be denied under this
23 Act to any otherwise qualified employee leaving work volun-
24 tarily or for refusing to accept work if—

1 the punishment for which is not otherwise provided, shall
2 be punished for each such violation by a fine of not more
3 than \$1,000 or by imprisonment not exceeding one year,
4 or both.

5 “SEC. 310. (a) A person shall be a ‘qualified employee’
6 if the Work Administrator or the agency administering bene-
7 fits, as the case may be, finds (i) that he served in the
8 active military or naval service of the United States at any
9 time after September 16, 1940, and prior to the termination
10 of the present war, and had been discharged or released
11 from active service under conditions other than dishonorable
12 or (ii) that since the beginning of the calendar year next
13 preceding the calendar year in which he first applies for
14 ‘interim placement benefits’ and before making such appli-
15 cation he received wages of not less than \$150.

16 “(b) Within ten days after the appointment of a Work
17 Administrator pursuant to this Act, such Administrator shall
18 afford to each State an opportunity to participate in the
19 administration of the ‘interim placement benefits’ provided
20 by this title. A State shall be permitted to participate upon
21 agreement, pursuant to the authorization contained in the
22 unemployment compensation law of such State to enter
23 into a reciprocal agreement with an appropriate agency of
24 the Federal Government, (i) to receive all claims for
25 ‘interim placement benefits’; (ii) to adjudicate such claims

1 in accordance with regulations prescribed by the Work
2 Administrator, or forward such claims to another State or
3 Federal agency as may be appropriate; (iii) to pay, subject
4 to partial reimbursement from the Federal Government as
5 hereinafter set forth from funds withdrawn from the State
6 account in the Unemployment Trust Fund, any claim for
7 'interim placement benefits' found payable in accordance
8 with the regulations prescribed by the Work Administrator;
9 and (iv) to find fair and reasonable, and not resulting in
10 substantial loss to the unemployment compensation account
11 of such State, the reimbursement arrangement hereinafter
12 provided for. The Work Administrator shall, whenever a
13 State does not elect to pay 'interim placement benefits',
14 or may, wherever he deems it necessary, arrange for the
15 filing of claims for 'interim placement benefits' with the
16 Retraining and Reemployment Administration.

17 "The Railroad Retirement Board and the Unemployment
18 Compensation Board of the District of Columbia shall par-
19 ticipate in the administration of 'interim placement bene-
20 fits.' Such Boards shall receive applications for 'interim
21 placement benefits', shall adjudicate such applications in ac-
22 cordance with regulations prescribed by the Work Admin-
23 istrator, or shall forward such applications to a State or Ter-
24 ritorial unemployment compensation agency as may be ap-
25 propriate and shall certify to the Secretary of the Treasury

1 for payment, from the appropriate account in the Unemploy-
2 ment Trust Fund, any part of a claim found payable in
3 accordance with regulations prescribed by the Work Admin-
4 istrator.

5 “(c) Claims for benefits and appeals from determinations
6 with respect thereto shall be made in accordance with such
7 regulations as the Work Administrator shall prescribe. The
8 Work Administrator is authorized and directed to make find-
9 ings of fact with respect to any claim for benefits and to
10 make decisions as to the right of any claimant to benefits.
11 The Work Administrator is further authorized to hold such
12 hearings, to conduct such investigations and other proceed-
13 ings, and to establish by regulations and otherwise such
14 procedures as he may deem necessary or proper for the
15 determination of a right to benefits.

16 “Each person whose claim for benefits has been denied,
17 in whole or in part upon an initial determination whether
18 by the Retraining and Reemployment Administration, by a
19 State, by the Railroad Retirement Board, or by another Fed-
20 eral agency participating in the administration of ‘interim
21 placement benefits’ by arrangement with the Work Admin-
22 istrator, shall be granted an opportunity for a fair hearing
23 thereon before such appellate tribunal as the Work Admin-
24 istrator may by regulation establish. In the case of any
25 hearing, the appellate tribunal established by the Work

1 Administrator shall notify all parties properly interested of
2 their rights to participate in the proceedings and, if a hearing
3 is to be held, the time and place of the hearing. At the
4 request of any party properly interested, the tribunal shall
5 provide for a hearing and may provide for hearing on its own
6 motion.

7 "The Work Administrator may, on his own motion,
8 review a decision of an appeals tribunal on the basis of the
9 evidence previously submitted in such case and may direct
10 the taking of additional evidence, or he may agree to hear
11 the appeal of such parties as he may find properly inter-
12 ested in the proceedings. Unless a review or an appeal is
13 had pursuant to this subsection, the decision of the appellate
14 tribunal shall, subject to such regulations as the Work
15 Administrator may prescribe, be deemed to be his final
16 decision.

17 "If the decision of an appellate tribunal or of the Work
18 Administrator reverses an initial decision denying a claim
19 for "interim placement benefits", such claim shall thereupon
20 be certified by the Work Administrator to the Secretary
21 of the Treasury for payment. If the initial decision was
22 made by a State agency or the Railroad Retirement Board
23 the amount of such payments shall be taken into account
24 in determining the amounts of reimbursement to be paid
25 to any State agency or to the Railroad Unemployment

1 Insurance Account pursuant to subsection (d) of this section.

2 “Final decision of the Work Administrator of the decision
3 of any appellate tribunal shall be communicated to the claim-
4 ant and to other interested parties within fifteen days after it
5 is made. Any claimant and any labor organization, of which
6 such claimant is a member, duly authorized to represent
7 employees in accordance with the National Labor Relations
8 Act or the Railway Labor Act may, after all administrative
9 remedies made available by the Work Administrator have
10 been availed of and exhausted, obtain a review of any final
11 decision of the Work Administrator by filing a petition for
12 review within ninety days after the mailing of notice of such
13 decision to the claimant, or within such further time as the
14 Work Administrator may allow, in the United States district
15 court for the judicial district in which the claimant resides
16 or in the United States District Court for the District of
17 Columbia. A copy of such petition, together with the initial
18 process, shall forthwith be served upon the Work Adminis-
19 trator or any officer designated by him for such purpose.
20 Service may be made upon the Work Administrator by
21 registered mail, addressed to him. Within fifteen days after
22 receipt of service or within such additional time as the court
23 may allow, the Work Administrator shall certify and file
24 with the court in which such petition has been filed, a
25 transcript of the record upon which the findings and decision

1 complained of are based. Upon such filing the court shall
2 have exclusive jurisdiction of the proceeding and of the
3 question determined therein. It shall have power to enter
4 upon the pleadings and transcript of the record a decree
5 affirming, modifying, or reversing the decision of the Work
6 Administrator with or without remanding the case for
7 rehearing. The findings of the Work Administrator as to
8 the facts, if supported by evidence and in the absence of
9 fraud, shall be conclusive. No additional evidence shall be
10 received by the court, but the court may order additional
11 evidence to be taken before the Work Administrator, and
12 the Work Administrator may, after hearing such additional
13 evidence, modify his findings of fact and conclusions and
14 file such additional or modified findings and conclusions with
15 the court, and the Work Administrator shall file with the
16 court a transcript of the additional record. The judgment
17 and decree of the court shall be final, subject to review as
18 in equity cases.

19 "An applicant for review of a final decision of the Work
20 Administrator concerning a claim for benefits shall not be
21 liable for costs, including costs of service, or costs of print-
22 ing records, except that costs may be assessed by the court
23 against such applicant if the court determines that the pro-
24 ceedings for such review have been instituted or continued
25 without reasonable ground.

1 “(d) Each participating State agency shall arrange for
2 the payment, from funds withdrawn for such purpose from
3 the unemployment trust fund, of claims for ‘interim place-
4 ment benefits’ granted in whole or in part, in accordance
5 with the regulations prescribed by the Work Administrator.
6 Each participating State agency, in consultation with the
7 Work Administrator, shall determine what amounts would
8 have been payable under the unemployment compensation
9 law of the State had the claims for ‘interim placement
10 benefits’ been claims made under such State law. The
11 Work Administrator shall from time to time satisfy himself
12 as to the correctness of such determinations. The Work
13 Administrator shall, on each February 1, May 1, August 1,
14 and November 1 certify to the Secretary of the Treasury,
15 for payment into the appropriate State account in the un-
16 employment trust funds, the amount by which the payments
17 of ‘interim placement benefits’ made on certifications of the
18 State agency in the preceding calendar quarter exceeded
19 the payments which would have been made under the un-
20 employment compensation law of the State, if the claims
21 for ‘interim placement benefits’ had been claims for benefits
22 under such State law.

23 “The Railroad Retirement Board shall certify to the
24 Secretary of the Treasury, for payment, such claims for
25 ‘interim placement benefits’ as it finds properly payable

1 hereunder. Such payments shall be made from the Railroad
2 Unemployment Insurance Account. The Railroad Retire-
3 ment Board shall determine, in consultation with the Work
4 Administrator, what amounts would have been payable under
5 the Railroad Unemployment Insurance Act, if claims for
6 'interim placement benefits' had been filed under such Act.
7 The Work Administrator shall, on each February 1, May 1,
8 August 1, and November 1, certify to the Secretary of the
9 Treasury, for payment into the Railroad Unemployment
10 Insurance Account, the amount by which the payments of
11 'interim placement benefits' made on certifications of the
12 Railroad Retirement Board in the preceding calendar quar-
13 ter exceeded the payments which would have been made
14 from the Railroad Unemployment Insurance Account had
15 claims for 'interim placement benefits' been claims for
16 benefits under the Railroad Unemployment Insurance Act.

17 "The Work Administrator shall certify to the Secretary
18 of the Treasury, for payment, such claims for 'interim place-
19 ment benefits' as he finds properly payable hereunder and
20 which are filed directly with the Retraining and Reemploy-
21 ment Administration.

22 "(e) The Work Administrator shall, from time to time,
23 certify to the Secretary of the Treasury, for payment, to a
24 State or Territorial unemployment compensation agency, to
25 the District of Columbia Unemployment Compensation

1 Board, or to the credit of the Railroad Unemployment Insur-
2 ance administration fund, such amounts as he determines—

3 “(i) equal to the administrative expenses reasonably
4 incurred by such agency, or the District of Columbia
5 Unemployment Compensation Board, or the Railroad
6 Retirement Board in excess of the expenses which would
7 have been incurred by such agency or Board for the
8 administration of unemployment compensation benefits
9 had this title not been enacted; and

10 “(ii) have not been included in the basis of any
11 previous certification under this paragraph.

12 “The Social Security Board shall continue to make cer-
13 tification to the Secretary of the Treasury under section
14 302 (a) of the Social Security Act on the basis of deter-
15 minations by it as to what amounts would be necessary and
16 proper for the efficient administration of each State unem-
17 ployment compensation law had this title not been enacted.

18 “Subsection (c) of section 303 of the Social Security
19 Act as amended is hereby amended by adding a paragraph
20 to read as follows:

21 ““(3) Until the expiration of title IV of the War
22 Mobilization Adjustment Act of 1944 that such State
23 has failed to permit the Administrator of the Retraining
24 and Reemployment Administration to determine, in
25 accordance with subsection (d) of section 410 of the

1 War Mobilization Adjustment Act of 1944, the amount
2 by which "interim placement benefits" exceed benefits
3 which would have been payable under such State law
4 if claims for "interim placement benefits" had been
5 claims for benefits under such State law.'

6 "SEC. 311. The Work Administrator is authorized to
7 delegate (i) to any officer or employee of the Retraining
8 and Reemployment Administration, (ii) to any State un-
9 employment compensation agency, (iii) to the Railroad
10 Retirement Board, or (iv) to any member or officer of any
11 such agency or such Board any of the powers and duties
12 herein described, excluding only the power to prescribe
13 regulations. Such delegation may be revoked or modified
14 whenever the Work Administrator deems it advisable.

15 "SEC. 312. The Work Administrator shall have and
16 shall exercise all the powers necessary for the effective ad-
17 ministration of this title. He may employ such persons and
18 provide for their remuneration and expenses as may be
19 necessary for the proper administration of this title. Such
20 persons shall be employed and their remuneration pre-
21 scribed according to the civil-service laws and the Classifica-
22 tion Act of 1923, as amended. Notwithstanding any other
23 provision of law or regulation, the Social Security Board
24 and the Railroad Retirement Board may disclose its records
25 of compensation to any agency or person authorized by

1 the Work Administrator to adjudicate claims for 'interim
2 placement benefits'. The Work Administrator shall have
3 power to compel an employer to report the amount of any
4 wage or any other information needed to adjudicate a claim
5 for 'interim placement benefits'.

6 "SEC. 313. (a) The Secretary of Labor shall make a
7 full study and investigation as to—

8 " (1) the extent to which the adoption of annual
9 wage systems would contribute to full employment and
10 rising standards of living;

11 " (2) the factors in favor of and against the adoption
12 of various types of annual wage systems in various in-
13 dustries;

14 " (3) present and past use of annual wage systems
15 by particular industries or individual employers;

16 " (4) other wage systems which might contribute to
17 full employment and rising standards of living; and

18 " (5) possible means to be used by the Government
19 through tax advantages or otherwise in promoting adop-
20 tion of annual wage systems or other wage systems de-
21 signed to bring about full employment and rising stand-
22 ards of living.

23 " (b) The Secretary of Labor shall submit to the Presi-
24 dent, the Senate, and the House of Representatives, within
25 six months after the enactment of this Act, and at such later

1 dates as the Secretary may deem desirable, reports on the
2 results of the studies called for in this section.”

3 TITLE IV—ADVANCES TO STATE UNEMPLOY-
4 MENT FUNDS

5 On page 1, line 3, strike out the first word “That”
6 and renumber sections 1–4 as sections 401 to 404.

7 On page 9, after line 4, insert the following:

8 “TITLE V—HOUSING AND PUBLIC WORKS

9 “SEC. 501. The Administrator of the National Housing
10 Agency is authorized and directed to survey and analyze
11 national housing needs in the period of transition from war
12 to peace and thereafter, and to develop for submission to
13 the President and the Congress a comprehensive program
14 for meeting such needs through private housing and through
15 research, technical assistance, and financial aid with respect
16 to private housing and with respect to local housing under-
17 taken by communities and integrated with plans for com-
18 munity or urban redevelopment.

19 “SEC. 502. (a) In order to encourage States and other
20 non-Federal public agencies to make advance provision for
21 the construction of public works (not including housing),
22 the Federal Works Administrator is hereby authorized to
23 make, from funds appropriated for that purpose, loans or
24 advances to the States and their agencies and political sub-
25 divisions (hereinafter referred to as ‘public agencies’) to

1 aid in financing the cost of architectural, engineering, and
2 economic investigations and studies, surveys, designs, plans,
3 working drawings, specifications, procedures, and other
4 action preliminary to the construction of such public works:
5 *Provided*, That the making of loans or advances hereunder
6 shall not in any way commit the Congress to appropriate
7 funds to undertake any projects so planned.

8 “(b) Funds appropriated for the making of loans or ad-
9 vances hereunder shall be allotted by the Federal Works
10 Administrator among the several States in the following
11 proportion: 90 per centum in the proportion which the
12 population of each State bears to the total population of
13 all the States, as shown by the latest available Federal
14 census, and 10 per centum according to his discretion:
15 *Provided*, That the allotments to any State shall aggregate
16 not less than one-half of 1 per centum of the total funds
17 available for allotment hereunder: *Provided further*, That
18 no loans or advances shall be made with respect to any
19 individual project unless it conforms to an over-all local
20 or regional plan approved by competent local or regional
21 authority.

22 “(c) Loans or advances under this section to any public
23 agency shall be made only upon condition that such agency
24 agree that if the construction of the public works so planned
25 is undertaken, such agency will repay to the Federal Works

1 Administrator the amounts of such loans or advances. Any
2 sums so repaid shall be covered into the Treasury as mis-
3 cellaneous receipts.

4 “(d) The Federal Works Administrator is authorized
5 to prescribe rules and regulations to carry out the purposes
6 of this section.

7 “(e) As used in this section, the term ‘State’ shall
8 include Alaska, Hawaii, Puerto Rico, and the District of
9 Columbia.

10 “TITLE VI—MISCELLANEOUS PROVISIONS

11 “SEC. 601. When used in this Act—

12 “(a) The term ‘Government agency’ means any de-
13 partment, independent establishment, or agency in the
14 executive branch of the Government, including any cor-
15 poration wholly owned by the United States.

16 “(b) The term ‘contracting agency’ means any Gov-
17 ernment agency which has been or hereafter may be author-
18 ized to make contracts pursuant to section 201 of the First
19 War Powers Act, 1941, and includes the Reconstruction
20 Finance Corporation and any corporation organized pursuant
21 to the Reconstruction Finance Corporation Act (47 Stat.
22 5), as amended, and the Smaller War Plants Corporation.

23 “(c) The term ‘State’ (except when used in title V)
24 shall include the several States, the District of Columbia, and
25 the Territories of Hawaii and Alaska.

1 “(d) Subject to the provisions of section 309 (c) and
2 section 309 (a) a ‘day of unemployment’ with respect
3 to an employee means a calendar day on which he is able
4 to work and is available for work and with respect to which
5 (i) no remuneration in excess of 50 cents is payable or
6 accrues to him and (ii) he has in accordance with such regu-
7 lations as the Work Administrator may prescribe, registered
8 at a public employment office: *Provided*, That remuneration
9 for a working day which includes two consecutive calendar
10 days shall be deemed to have been earned on the second of
11 such days: *And provided further*, That an employee shall
12 not be deemed unable to or unavailable for work by reason
13 of illness or disability occurring after application for interim
14 placement benefits.

15 “(e) A ‘week of unemployment’ with respect to an
16 employee shall mean any period of seven consecutive cal-
17 endar days, each of which was a day of unemployment:
18 *Provided*, That any seven consecutive calendar days which
19 but for the amount of remuneration which accrues or is pay-
20 able to him would be a ‘week of unemployment’ shall be a
21 week of unemployment if the amount of such remuneration
22 does not exceed \$3.

23 “(f) A ‘part week of unemployment’ is any period of
24 seven consecutive calendar days in which there are three or
25 more days of unemployment.

1 “(g) The term ‘benefit year’ means the twelve-month
 2 period beginning on July 1 of any year and ending on June
 3 30 of the next year, except that a week of unemployment
 4 or a week of part unemployment beginning in June and
 5 ending in July shall be deemed to be in the benefit year
 6 ending in such month of June.

7 “(h) The term ‘dependent’ means—

8 “(A) an unmarried child (including a stepchild or
 9 adopted child), of such individual, who has not attained
 10 his eighteenth birthday and who either is living in the
 11 same household with the individual or is dependent
 12 upon such individual for more than half his support;

13 “(B) the wife of such individual if such wife either
 14 is living in the same household with such individual or
 15 regularly receives support from him, other than a wife
 16 who is regularly engaged in rendering services for re-
 17 muneratation or in any occupation for profit if the remu-
 18 neration for such services or from such occupation is
 19 substantial;

20 “(C) a parent of an unmarried individual if such
 21 parent is incapable of self-support and either is living
 22 in the same household with such individual or is depend-
 23 ent upon such individual for more than half his support.

24 “In determining whether an individual has dependents,
 25 and in determining the number of such dependents, the

1 Work Administrator may find an individual's unmarried
2 child who has not attained his eighteenth birthday to be
3 the dependent of such individual if the individual certifies,
4 in such form as the Work Administrator prescribes, that
5 such child is closely related to him by blood, marriage, or
6 adoption, is unmarried, has not attained his eighteenth birth-
7 day, and either is living in the same household with him or
8 is dependent upon such individual for more than half his
9 support. The Work Administrator may find the wife of
10 an individual to be his dependent if she certifies, in such
11 form as the Work Administrator prescribes, that she is his
12 wife, either that she is living in the same household with
13 him or that he regularly contributes to her support, and
14 that she is not regularly engaged in rendering services for
15 remuneration and not engaged in any occupation for profit.
16 The Work Administrator may find the parent of an un-
17 married individual to be the dependent of such individual,
18 if such parent certifies that he is a parent of such individual,
19 is not capable of self-support, and either that he is living
20 in the same household with such individual or dependent
21 upon such individual for more than half his support.

22 “(i) The term ‘wages’ means (i) compensation as
23 defined in section 1 (i) of the Railroad Unemployment
24 Insurance Act and (ii) all remuneration for employment
25 including the cash value of all remuneration paid in any

1 medium other than cash; except that such term shall not
2 include—

3 “(1) that part of the remuneration which, after
4 remuneration equal to \$3,000 has been paid to an indi-
5 vidual with respect to employment during any calendar
6 year, is paid to such individual with respect to employ-
7 ment during such calendar year;

8 “(2) the amount of any payment made to, or on
9 behalf of, an employee under a plan or system estab-
10 lished by an employer which makes provision for his
11 employees generally or for a class or classes of his
12 employees (including any amount paid by an employer
13 for insurance or annuities, or into a fund, to provide
14 for any such payment), on account of (A) retirement,
15 or (B) sickness or accident disability, or (C) medical
16 and hospitalization expenses in connection with sickness
17 or accident disability, or (D) death, provided the em-
18 ployee (i) has not the option to receive, instead of
19 provision for such death benefit, any part of such pay-
20 ment or, if such death benefit is insured, any part of the
21 premiums (or contributions to premiums) paid by his
22 employer, and (ii) has not the right, under the pro-
23 visions of the plan or system or policy of insurance pro-
24 viding for such death benefit, to assign such benefit,
25 or to receive a cash consideration in lieu of such benefit

1 either upon his withdrawal from the plan or system pro-
2 viding for such benefit or upon termination of such plan
3 or system or policy of insurance or of his employment
4 with such employer;

5 “(3) the payment by an employer (without deduc-
6 tion from the remuneration of the employee) (A) of the
7 tax imposed upon an employee under section 1400 of the
8 Internal Revenue Code or (B) of any payment required
9 from an employee under a State unemployment com-
10 pensation law;

11 “(4) dismissal payments which the employer is not
12 legally required to make.

13 “(j) The term ‘employment’ means any service per-
14 formed after December 31, 1940, by an employee for the
15 person employing him, irrespective of the citizenship or
16 residence of either, (A) within the United States, or (B)
17 on or in connection with an American vessel under a contract
18 of service which is entered into within the United States or
19 during the performance of which the vessel touches at a
20 port in the United States, if the employee is employed on
21 and in connection with such vessel when outside the United
22 States, except—

23 “(1) service performed in the employ of a foreign
24 government (including service as a consular or other
25 officer or employee or a nondiplomatic representative) ;

1 “(2) service performed in the employ of an instru-
2 mentality wholly owned by a foreign government—

3 “(A) if the service is of a character similar to
4 that performed in foreign countries by employees
5 of the United States Government or of an instru-
6 mentality thereof; and

7 “(B) if the Secretary of State shall certify to
8 the Secretary of the Treasury that the foreign gov-
9 ernment, with respect to whose instrumentality and
10 employees thereof exemption is claimed, grants an
11 equivalent exemption with respect to similar service
12 performed in the foreign country by employees of
13 the United States Government and of instrumen-
14 talities thereof.

15 “(3) domestic service in a private home, local col-
16 lege club, or local chapter of a college fraternity or
17 sorority;

18 “(4) service performed by an individual in the em-
19 ploy of his son, daughter or spouse. or service performed
20 by a child under the age of twenty-one in the employ
21 of his father or mother;

22 “(k) The term ‘American vessel’ means any vessel
23 documented or numbered under the laws of the United States;
24 and includes any vessel which is neither documented or
25 numbered under the laws of the United States nor docu-

1 mented under the laws of any foreign country, if its crew
2 is employed solely by one or more citizens or residents of
3 the United States or corporations organized under the laws
4 of the United States or of any State.

5 “(l) ‘Public employment office’ shall include an office
6 of the United States Employment Service, a free employ-
7 ment office maintained and operated by the Railroad Retire-
8 ment Board, or a facility maintained by an employer under
9 the Railroad Unemployment Insurance Act designated as a
10 free employment office by the Railroad Retirement Board,
11 and any employment facility maintained by a labor organi-
12 zation or by an employer and engaged in placing workers
13 which is designated as a ‘public employment office’ by the
14 Work Administrator.

15 “(m) ‘Weekly wages’ means the amount determined by
16 dividing by thirteen the wages in that calendar quarter of the
17 three years preceding application for benefits in which such
18 wages were highest: *Provided, however,* That in the case of
19 any individual whose exact wages are not available or the
20 record of whose wages was not maintained by quarters, the
21 wages for any quarter shall be determined on a basis deemed
22 by the Work Administrator to be fair and equitable.

23 “SEC. 602. There are authorized to be appropriated
24 such sums as may be necessary or appropriate to carry out
25 the purposes and provisions of this Act.

1 “SEC. 603. The provisions of this Act shall become effec-
2 tive immediately, unless otherwise provided in the Act, and
3 unless otherwise provided shall be terminated at the end
4 of twenty-four months after the termination of the war.

5 “SEC. 604. If any provision of this Act, or the applica-
6 tion of such provision to any person or circumstance, is held
7 invalid, the remainder of this Act or the application of such
8 provision to persons or circumstances, other than those as
9 to which it is held invalid, shall not be affected thereby.

10 “SEC. 605. When the Director first appointed under
11 section 102 has taken office, the Office of War Mobilization
12 established by Executive Order Numbered 9347, dated May
13 27, 1943, shall cease to exist; and such records and prop-
14 erty of the Office of War Mobilization, and such unexpended
15 balances of appropriations or other funds available for its
16 use, as the President shall determine shall be transferred
17 to the Office of Mobilization and Adjustment.

18 “SEC. 606. All orders, policies, procedures, or directives
19 prescribed by the Director of War Mobilization, in effect
20 upon the effective date of this Act, and not inconsistent
21 with this Act, shall remain in full force and effect unless
22 and until superseded by the Director in accordance with
23 this Act, or by operation of law.

24 “SEC. 607. This Act may be cited as the ‘War Mobili-
25 zation and Adjustment Act of 1944’.”

78TH CONGRESS
2d Session

S. 2051

AMENDMENTS

Proposed by Mr. MURRAY and Mr. KUGORE to
the bill (S. 2051) to amend the Social Security Act, as amended.

AUGUST 8, 1944

Ordered to be printed

WAR MOBILIZATION AND POST-WAR ADJUSTMENT

AUGUST 8, 1944.—Ordered to be printed

Mr. REVERCOMB, from the Committee on Military Affairs,
submitted the following

MINORITY VIEWS

[To accompany S. 2061]

We do not concur in the recommendation that this particular bill be considered favorably. Therefore, we submit this minority report, calling attention to some of the features in the proposed bill which we believe to be unsound and, in fact, dangerous to the well-being of the people and the country.

The proposed bill is divided into five titles, as follows:

Title I creates an Office of War Mobilization and Adjustment for the over-all supervision of war mobilization and demobilization.

Title II sets up rules and policies for industrial demobilization and reconversion.

Title III provides for the retraining and reemployment of war workers and returning servicemen and for unemployment benefits.

Title IV provides for a survey of housing needs and for the making of loans to the States for the planning of public works.

Title V carries certain general provisions applicable to the other four titles.

Our comments are upon titles I and III of the proposed bill dealing with the creation of an office of war mobilization and adjustment and with the retraining and reemployment of workers.

It is urgent that the Congress proceed without delay to the passage of legislation that will meet the problem of reconversion and consequent unemployment.

The minority favors the creation of an over-all coordinating office through which the activities of various Government agencies can be harmonized. Title I of the reported bill goes much further than this and would set up a huge organization, with area and industrial advisory councils and boards comparable to the National Recovery Administration.

TITLE III—UNEMPLOYMENT COMPENSATION

The Government should take every step necessary to prevent want and suffering among our people. But legislation to meet the problem of unemployment should not establish in this country the idea that the public purse may be used to support those who can support themselves.

Legislation dealing with unemployment should have for its purpose the aiding of those who are unemployed because there is no work obtainable by them at which they may make a living. Certainly it should not induce unemployment. In our opinion, the bill reported by your committee will place a premium upon unemployment and will be an inducement to people to avoid work.

We believe that most men and women desire to earn their own livelihood, but doubtless there are many who will not seek employment if it profits them to be idle.

Furthermore, we do not believe that aid to the unemployed should be used as a method of stabilizing wages and pay. Its sole purpose should be to prevent want for the necessities of life by those who, because of lack of places to work, cannot support themselves.

Any plan of stabilization of pay or wages should be met by direct action on that subject and not through aid to the unemployed.

For the sake of brevity we point out in a summary way certain parts of the bill which we believe to be unsound:

1. Title III sets forth a rate of unemployment compensation which will create unemployment.

The "base week" on which unemployment benefits are to be computed is defined as one-thirteenth of the highest earnings that the worker had in any quarter in the preceding 3 years. This means that his benefits would be computed on the basis of a pay roll swollen both by high wages and by overtime.

Payments are to be at the rate of 75 percent of his average base week earnings, not exceeding \$20 for a person with no dependents, \$25 for a person with one dependent, \$30 for a person with two dependents, and \$35 for a person with three or more dependents.

Once the compensation is fixed, it cannot subsequently be lowered.

As the bill was originally reported by the subcommittee, it set up a scale of payments based on annual earnings (a "base year" as it was called).

In many instances, it provided greater benefits than the worker had previously earned annually.

This provision was changed in the committee to a computation of earnings based on the high average week. Under its present provisions, a person may never have worked but 3 months and still be entitled to almost permanent unemployment benefits of a yearly income greater than that earned by him.

Thus, if one worked 3 months within any 1 of 3 years preceding unemployment at pay of \$50 per week, receiving \$600 within the year, he would receive from \$20 to \$35 per week for 52 weeks of an unemployed year, or annual unemployment benefits of from \$1,040 to \$1,820 per year of unemployment.

No time limit is placed upon the payments. Such payments would continue for each week so long as a person was unemployed and the law remained in force.

It is inescapable, from the above example, that such a statute would foster unemployment rather than lessen it.

The reported bill proposes certain benefits for ex-servicemen, a subject which has already been settled by the enactment of Public, 346.

2. Under the proposed bill the Work Administrator is given practically unlimited power and, consequently, broad directive powers over workers.

The bill provides in section 412 (at p. 37):

The Work Administrator shall have and shall exercise all the powers necessary for the effective administration of this title.

Such unlimited power in an administrator can lead to great abuse of the workers of this country and leave to him the determination, by the making of rules, as to who may work and who may not work; perhaps as to what organization the worker must belong or not belong in order to secure employment; where he must move or be transferred in order to get work; and to determine whether anyone is unemployed under the provisions of the bill.

This virtually sets up a national service act over unemployed workers of this country.

The Work Administrator is the highest court of appeal in the administration of the act and may review decisions of any appeal tribunal created under the act.

It is provided that appeal from the Work Administrator may be taken by a claimant or any labor organization of which he is a member, to a Federal district court, provided the labor organization is authorized to represent employees under the National Labor Relations Act or the Railway Labor Act, which such appeal may be taken within 90 days or within such further time as the Work Administrator may allow.

3. The Work Administrator is authorized by the proposed bill to provide, i. e., pay for, vocational training for "any person" for not more than 6 months. This he may do "whenever he deems it necessary" (p. 19 of the proposed bill). He is the sole judge of when it is necessary. He may provide this for any one and any number of persons without limit. He may provide this training in addition to any free education or training now provided by law.

While such persons are receiving this training, each receives an income to be paid by the Federal Government of from \$50 to \$100 per month, graded according to the number of dependents such person may have.

It is submitted that Congress is not justified in authorizing vocational education at the public expense of an unlimited number of persons selected by a public official.

4. The administration of unemployment compensation is under the Federal Work Administrator. It permits him to enter into agreements with the States to handle the actual machinery for the payment of benefits, and if the State elects to handle the payments the Federal Government is to reimburse it for any amount paid over and above any amount that would have been paid under the compensation laws of the State. If the States do not elect to administer, the Work Administrator would handle the payments directly.

However, the rate of pay and compensation is fixed in the Federal statute. The State agencies must act under rules made by the Federal Work Administrator. The State unemployment compensa-

tion agencies already set up would be made mere vassals of the Federal Government by this bill. Unemployment compensation systems would be completely federalized and directed from Washington.

5. The proposed bill provides that a person is considered unemployed and may be paid unemployment compensation even if he has the opportunity to work and may be offered work, if such work pays substantially less favorable wages than the prevailing wage for similar work in the locality, or if the rate of pay offered is less than the union wage in that locality (see p. 25 of the bill).

This is clearly an effort to stabilize wages by the use of relief to unemployed persons. Even though a man or woman had the opportunity to work, he or she would still be considered an unemployed person if the rate of pay offered did not substantially meet the prevailing wage scale. This is unfair to the worker who wants to make his own way and his own contract of employment.

6. Subsection (j) of section 501 (p. 45) defines the meaning of "employment" and thereby indicates who shall receive unemployment compensation. "Employment" is defined as "any service performed after December 31, 1940, by an employee for the person employing him, irrespective of the citizenship or residence of either" within the United States, subject to certain exceptions as to persons in the employ of foreign governments or instrumentalities owned by foreign governments, domestic service or service performed by an individual in the employ of a member of his family.

Thus, persons who came into this country temporarily to perform war work would apparently be qualified to receive unemployment compensation.

7. The submitted bill purports to be a temporary measure, terminating 2 years after the cessation of hostilities, but no one could believe that once enacted it would not continue as permanent legislation. Under the guise of a temporary emergency, this title would completely federalize the Social Security Act and would permanently fix very high benefit levels.

8. Gen. Frank T. Hines, the present Work Administrator, says of S. 1893, and his remarks are applicable to the proposed bill because title III was in the main taken from S. 1893:

If the machinery required by S. 1893 were set in motion, there might ultimately arise demand for a completely federalized unemployment compensation system. It is, of course, true that the bill would permit use of other Federal agencies, but such use would essentially change the existing character of any such agency.

* * * would essentially supplant a large part of the existing Social Security Act, would set up standards, qualifications, and disqualifications not in consonance with those provided in said act, and would provide sanctions and penalties not contemplated by that or any other act. Benefits under this section are termed "interim placement benefits" rather than unemployment compensation, but essentially they take the place of unemployment compensation.

* * * purports to permit State agencies to participate on a voluntary basis in the administration of the "interim placement benefits." If a State does not so "elect"—which raises the question as to necessity of State legislation—the entire administration will be under the new Federal agency created by the bill. Moreover, final authority to make findings of fact, to hold hearings, conduct investigations, and to consider appeals is vested in the Work Administrator.

* * * would duplicate and for a limited period only and with many fundamental changes, the existing provisions of the Social Security Act and the State statutes which have been enacted largely in conformity with the principles of existing social-security legislation.

* * * Certainly a civilian employee or war worker should not receive greater benefits than men and women discharged from the United States military and naval forces. Further, the allowances for dependents will complicate the administration of the act, particularly at the State level, and will require statutory and regulatory definitions. Unquestionably, if these amounts for dependents are retained, Public, 346 will necessarily have to be amended accordingly, to give veterans equal or greater allowances.

* * * authorize and require the establishment of extensive and expensive Federal machinery to administer functions—or extensions thereof—presently the responsibility of existing Federal agencies.

* * * would require a large governmental agency supplanting many of the duties of existing agencies, particularly the Social Security Board.

The essence of the bill is creation of an administrative agency—as distinguished from the correlating agency set up under Executive Order * * *.

The State directors of unemployment compensation are bitterly opposed to the handling of unemployment compensation as set up in the proposed bill.

The Special Committee on Post-war Economic Policy and Planning of the Senate has given study to the proposed plan and has condemned it in its report of June 23 (Rept. No. 539, pt. 5, 78th Cong., 2d sess.).

RECOMMENDATION

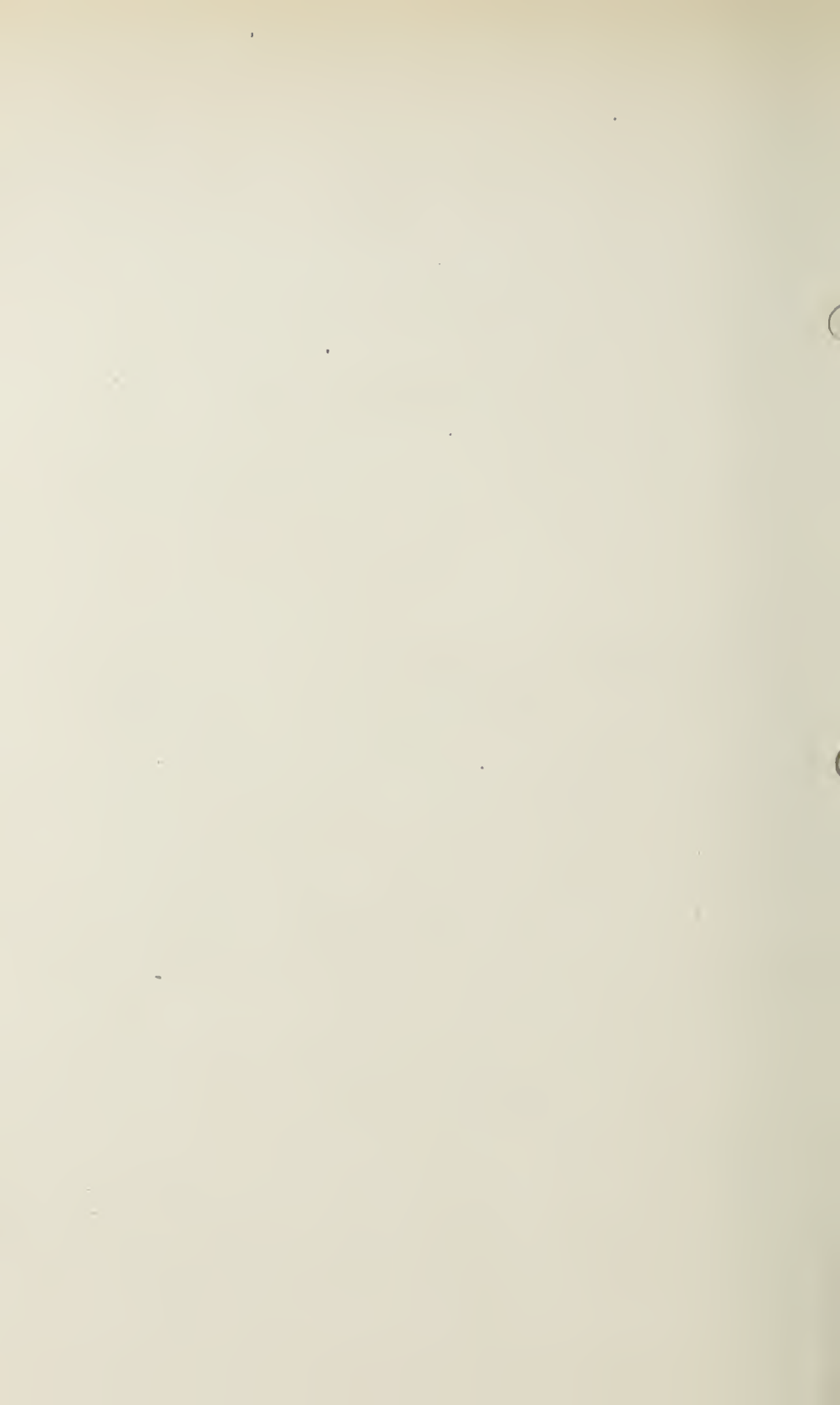
9. On August 1 the Special Committee on Post-war Economic Policy and Planning of the Senate, through its chairman, Senator George, introduced a bill dealing with unemployment compensation, the principal features of which were that the subject of unemployment compensation should be administered by the States through the organization and machinery already established in the States; and that the Federal Government shall loan to the States sufficient funds to pay unemployment compensation if the State funds should not be sufficient to meet this obligation. The passage of this bill will properly meet the subject of unemployment compensation. This bill has been favorably acted upon by the Finance Committee and reported to the Senate.

As of May 14, 1944, the States had to their credit, in the Treasury of the United States, unemployment compensation funds aggregating more than \$5,000,000,000. These funds are growing at the rate of more than \$1,000,000,000 a year and would reach a total of \$7,000,000,000 if present employment exists through 1945, or about \$6,000,000,000 if it exists through 1944. Therefore, the States already have an immense fund to be used for unemployment compensation before they need to turn to the Federal Treasury to borrow further money for that purpose (p. 2, Report of Special Committee on Post-war Policy and Planning of U. S. Senate, June 23, 1944).

It is respectfully recommended, as a minority report, that title III of the bill reported by your committee, and such other parts of said bill as deal with unemployment compensation, be deleted therefrom and that title I be amended to set up a coordinating office rather than an administrative office.

AUGUST 7, 1944.

WARREN R. AUSTIN,
CHAN GURNEY,
CHAPMAN REVERCOMB,
GEO. A. WILSON.



78TH CONGRESS
2D SESSION

S. 2061

IN THE SENATE OF THE UNITED STATES

AUGUST 8, 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MURRAY to the bill (S. 2061) to provide a national program for war mobilization and post-war adjustment, viz: On page 10, after line 9, insert the following new section 104:

1 SEC. 104. In order that there shall be full employment
2 and full production through provision of means for private
3 enterprisers to plan their capital outlays and through pro-
4 vision of means of productive investment of the savings of
5 the people:

6 (a) The Joint Committee on Internal Revenue Tax-
7 ation is herewith directed annually to investigate, with the
8 assistance of the appropriate agencies and departments of the
9 executive establishment, and to report annually not later than

1 May 1 to the Speaker of the House of Representatives and
2 the President of the Senate (1) the prospective amount of all
3 savings in the ensuing fiscal year beginning on July 1, (2)
4 the prospective amount and character of the investment by
5 private businesses, groups, and individuals, and by State and
6 local governments, calculated to provide an outlet for such
7 savings during the ensuing fiscal year beginning July 1.

8 (b) The Speaker of the House of Representatives and
9 the President of the Senate shall forthwith transmit such find-
10 ing of the Joint Committee on Internal Revenue Taxation
11 to the Director (of War Mobilization), who shall notify the
12 Reconstruction Finance Corporation of the amount by which
13 such capital and construction expenditures falls short of the
14 \$40,000,000,000 of such expenditures required to maintain
15 full employment, production, and consumption, and the Re-
16 construction Finance Corporation, under supervision of the
17 Director, shall offer to make loans not to exceed that amount
18 at its present rates and terms, to private business in the
19 fiscal year beginning the following July 1. On June 1
20 annually the Reconstruction Finance Corporation shall report
21 to the Director the total volume of such loans for which
22 application was made in the month of May.

23 (c) There is hereby authorized to be appropriated the
24 amount by which the volume of such loans and of prospec-
25 tive private, and State and local governmental expenditures,

1 combined, falls short of \$40,000,000,000, the annual volume
2 of investment and construction expenditures required to
3 maintain full employment, this sum to be available during
4 each fiscal year beginning July 1 for the financing of a
5 national works program.

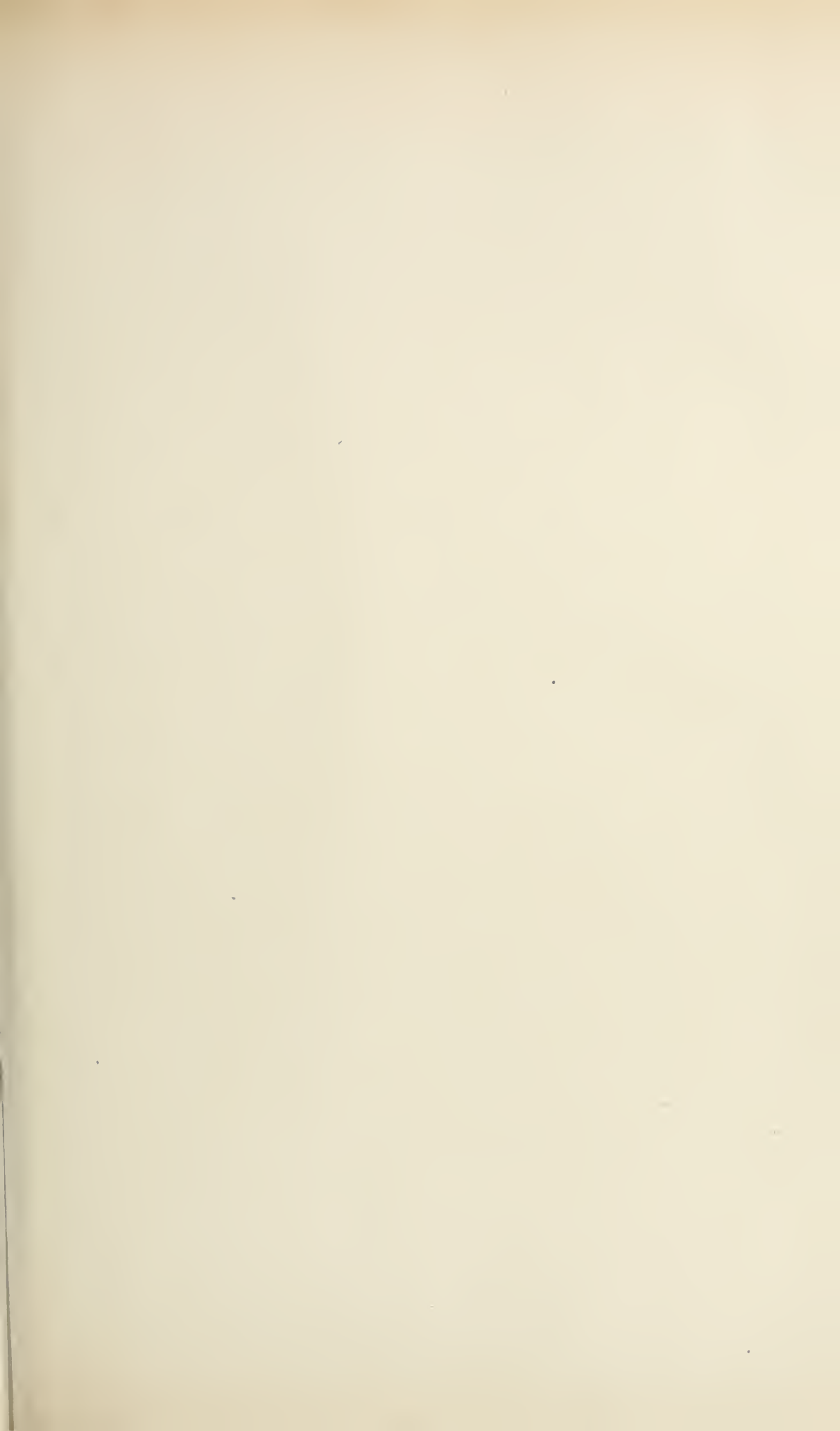
6 (d) It shall be the function of the Director to report
7 annually during the month of June to Congress for its
8 approval (1) the extent to which the Reconstruction Finance
9 Corporation loans to private business will add to the amount
10 of prospective private, and local and State governmental
11 expenditures, and (2) the volume and nature of the national
12 work program to be financed with the appropriation author-
13 ized in (c) above, so as to bring the total of all investment
14 and construction expenditures to the level required to main-
15 tain full employment and production.

16 (e) It shall be the function of the Director to utilize
17 the existing facilities of Government, any other provisions
18 of law to the contrary notwithstanding, to prepare such
19 works programs, and, subject to the approval of Congress,
20 to allocate to existing facilities of Government those sums
21 required to put such programs into operation.

22 (f) It shall be the function of the Director to review
23 quarterly the rate of private and State and local govern-
24 mental expenditure, to revise upward or downward the rate

1 of expenditure, in the national works program, and to advise
2 Congress of such action.

3 (g) In event of enactment of this Act prior to October
4 1, 1944, the first reports made under this Act shall be made
5 six months earlier than specified above, and shall cover a
6 six-months period, and the sums specified shall be halved;
7 but thereafter all activity and expenditures authorized or
8 directed in this Act shall be on the annual bases specified
9 above.



AMENDMENT

Intended to be proposed by Mr. MURRAY to the bill (S. 2061) to provide a national program for war mobilization and post-war adjustment.

AUGUST 8, 1944

Ordered to lie on the table and to be printed

POLISH-SOVIET RELATIONS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "Polish Puppets," published in the Washington (D. C.) Star of July 26, 1944, and two articles by Constantine Brown dealing with the subject of Polish-Soviet relations, published in the Washington Star, which appear in the Appendix.]

ITALY'S INDEPENDENCE DAY—POEM BY HORACE C. CARLISLE

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a poem entitled "Italy's Independence Day," written by Horace C. Carlisle, which appears in the Appendix.]

The VICE PRESIDENT. Morning business is concluded.

EXTENSION OF UNEMPLOYMENT COMPENSATION

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2051.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2051) to amend the Social Security Act as amended.

The VICE PRESIDENT. The question is on the motion of the Senator from Georgia.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2051) to amend the Social Security Act, as amended, which had been reported from the Committee on Finance, with amendments.

Mr. GEORGE obtained the floor.

Mr. HILL. Mr. President, will the Senator from Georgia yield in order that I may make the point of no quorum?

Mr. GEORGE. I yield.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hayden	Robertson
Andrews	Hill	Russell
Barkley	Jackson	Scruggam
Burton	Johnson, Calif.	Stewart
Butler	Johnson, Colo.	Taft
Byrd	Kilgore	Thomas, Utah
Capper	McClellan	Tobey
Caraway	McKellar	Truman
Chavez	Maloney	Tunnell
Connally	Maybank	Tydings
Davis	Millikin	Vandenberg
Downey	Moore	Wagner
Eastland	Murray	Wallgren
Ferguson	O'Daniel	Walsh, Mass.
George	O'Mahoney	Walsh, N. J.
Gillette	Overton	Weeks
Green	Pepper	Wherry
Guffey	Radcliffe	White
Gurney	Revercomb	Willis
Hatch	Reynolds	Wilson

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The senior Senator from Idaho [Mr. CLARK] the senior Senator from North Carolina [Mr. BAILEY], the senior Senator from Alabama [Mr. BANKHEAD], the junior Senator from Kentucky [Mr.

CHANDLER], the junior Senator from Louisiana [Mr. ELLENDER], the senior Senator from South Carolina [Mr. SMITH], and the senior Senator from Montana [Mr. WHEELER] are necessarily absent.

The senior Senator from Missouri [Mr. CLARK], the senior Senator from Illinois [Mr. LUCAS], the senior Senator from Nevada [Mr. MCCARRAN], the junior Senator from New York [Mr. MEAD], the junior Senator from Utah [Mr. MURDOCK], the junior Senator from Arizona [Mr. MCFARLAND], and the senior Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Vermont [Mr. AUSTIN], the Senator from Minnesota [Mr. BALL], the Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. BROOKS], the Senator from Delaware [Mr. BUCK], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Oregon [Mr. CORDON], the Senator from New Jersey [Mr. HAWKES], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. LANGER], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], the Senator from Minnesota [Mr. SHIPSTEAD], the Senator from Idaho [Mr. THOMAS], and the Senator from Wisconsin [Mr. WILEY].

The VICE PRESIDENT. Sixty Senators have answered to their names. A quorum is present.

Mr. GEORGE. Mr. President, the bill now before the Senate, Senate bill 2051, is a bill to amend the Social Security Act, and is confined to amendments to that act. Since the enactment of the Social Security Act a controversy has existed between those advocates and proponents who believe in a federalized system and those advocates and proponents who believe in State unemployment compensation systems.

The Senate Committee on Post-war Economic Policy and Planning conducted a hearing, and before the committee during the hearing various proponents of both plans appeared and testified at some length.

After careful consideration the committee reached the conclusion that at this time, at least, and on principle, it was unwise to interfere with the existing State systems. Since 1935 the States have created their own systems of unemployment compensation. They have had experience in administration since that time, and while no one of the State systems is perfect, and perhaps any one of the systems to be found in any single State could be subjected to criticism, particularly by those who do not believe in State systems of unemployment compensation, we were of the opinion that the systems should be continued and strengthened wherever the strengthening of those systems was indicated, and we submitted certain recommendations. Those recommendations are in part embraced in Senate bill 2051, now the unfinished business before the Senate.

Senate bill 2051 does not include all the recommendations made by the Special Committee on Post-war Economic Policy and Planning, because some of them would involve amendments to the unemployment tax act, and, of course, legislation affecting or raising revenue cannot originate in the Senate. However, the committee did make certain recommendations which are competent to be considered initially by the Senate. The Senate Committee on Finance gave consideration to those recommendations, and to the evidence submitted to the Special Committee on Post-war Economic Policy and Planning in support of those recommendations, and they are contained in the bill before the Senate.

Principally, the bill before the Senate brings into covered employment all the civil employees of the Federal Government. By civil employees, of course, I meant all the employees of the Federal Government. Under Public Law 346, the so-called G. I. bill, unemployment benefits were provided for all the men and women in the armed forces, now totaling some 11,000,000 persons. Under the existing social security systems and the unemployment benefit systems of the several States, some 30,000,000 persons are now covered. Under this bill, if passed, an additional number, approximately eight and a half million workers, would be eligible for unemployment compensation benefits on the State level and subject, of course, to the maximum benefits and the period of payment as fixed by the State laws. The bill gives to every Federal worker who subsequently becomes unemployed within the life of the bill the right to apply for unemployment compensation benefits in the State in which any part of his service was rendered to the Government.

Under the Social Security Act the Territory of Alaska, the Territory of Hawaii, and the District of Columbia are regarded as States. Of course, many of the Federal employees are in the District of Columbia. A very large percentage of Federal employees have performed some of their service within the District of Columbia, and they would therefore be entitled to avail themselves of the machinery and provisions made for the determination of claims in the District of Columbia, or in any State in which part of their service to the Government was rendered.

It will be seen at a glance that under the existing State unemployment compensation laws, under Public Law 346, the so-called G. I. bill of rights, and under this bill, the total number of eligible workers, if they should become unemployed, would reach 46,000,000 or 47,000,000.

The Special Committee on Post-war Economic Policy and Planning recommended that the law be amended so as to cover the employees of shipping companies, maritime employees working for private industry, and also recommended that the minimum number of employees in covered industry be reduced to one rather than eight, as provided in the present Social Security Act. Those two recommendations, of course, are exclu-

sively within the original jurisdiction of the House of Representatives, and are not included in this bill.

However, provision is made in the bill to cover all civilian Federal employees. Provision is also made for the payment out of the Federal Treasury of any burden thrown upon the State administrations on this account, because the Federal employees have no credits under the existing social-security law. Nothing has been paid into any State or to the District of Columbia, which is regarded as a State, as I have said, and therefore the whole burden for the increased number of employees who would be eligible if they should become unemployed would necessarily be thrown upon the Federal Government, and the bill so provides.

There are certain other technical amendments to the Social Security Act in the bill, but only one further amendment in substance. The bill sets up a revolving loan fund, to be supplied by Federal appropriation, of course, for the protection of the unemployment-compensation funds of the several States, so as to prevent their impairment and so as to give to the States—as we hope—an increasing confidence in the further extension of their own systems, within their own judgments.

If the further recommendations made by the Special Committee on Post-war Economic Policy and Planning should be carried out by the House of Representatives, the Senate, of course, concurring in any legislative proposals made by the House of Representatives, an additional number of approximately 2,500,000 workers would be covered under the unemployment-compensation title of the Social Security Act. It will be seen, Mr. President, that with the last-enumerated recommendation carried out, the remaining workers not covered would consist of agricultural workers, domestic servants, the so-called self-employed workers or self-employed, and the employees of State and local governments. They would constitute the only substantial groups, at least, not brought within the purview of the unemployment-compensation title of the Social Security Act.

Until this time it has not been deemed administratively practicable to cover farm employees, agricultural workers, domestic servants, and the self-employed. The Finance Committee, in considering the bill now before the Senate, did not think it proper and did not deem it wise to compel a State to cover under its unemployment system its own employees, unless, of course, the State itself elected so to do. But the committee was of the opinion that it was entirely proper and right to cover the Federal employees under the Social Security System and to give them the benefit of unemployment-compensation payments. As I have said, we have preserved the integrity of the State systems; and the Federal workers are, of course, covered under the State systems and under the maximum benefits and for the period of weeks provided by the State systems.

Mr. DOWNEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Does the Senator

from Georgia yield to the Senator from California?

Mr. GEORGE. I am glad to yield.

Mr. DOWNEY. What method does the bill provide for determining the amount of unemployment compensation to be paid Federal civil-service workers in the District of Columbia or in any other places where there is no unemployment-compensation law applicable to them?

Mr. GEORGE. They are all brought under this bill. The opinion, for which perhaps I was somewhat responsible—indeed, I would say I was responsible for it—has gone abroad that the bill covers only arsenal workers, shipyard employees, and so forth. As a matter of fact, it covers every civilian worker of the Federal Government, because there is no existing employment system under which they are presently covered, and there would be added a possible three and one-half to four million additional workers under the unemployment-compensation provisions established by virtue of this bill. As I have already explained, the District of Columbia under the Social Security Act is regarded as a State, and the existing machinery in the District of Columbia is available to any worker who subsequently becomes unemployed, as well as to any other person in a covered employment or work within the District of Columbia, if a part of his service to the Federal Government was rendered in the District of Columbia.

Mr. President, it is believed by the committee that with the amendments which are here proposed, coupled with the provision for the revolving loan fund to the several State systems, fairly adequate coverage or protection will be provided during the reconversion period. Of course, there is a dispute as to whether the State systems are adequate, that is, whether the amount to be paid—the highest payment authorized under the State laws—and the period of time are adequate. That matter has long been in dispute. But the States have made steady progress toward the improvement of their systems, and the whole social-security system, particularly the unemployment-compensation provisions, presents questions which very vitally affect the economy of the several States. It would be most unwise if the Congress or any State should adopt any system of unemployment compensation which would induce idleness. The States have constantly and steadily borne that principle in mind. While many of them may be subject justly to criticism, at the same time the States have, under existing law, not only had the right but have exercised the right to determine the maximum payments, the duration of payments, and all other questions affecting the payment of unemployment-compensation benefits to the citizens within the States.

It may be said that Federal workers should be treated differently and that the Federal Government should have a uniform standard of payments, and for a uniform period of weeks. There is force in that view. But, after all, the worker in America is a citizen of a State or district, and there is nothing inherently wrong or essentially inequitable

or unfair in placing him side by side with his fellow citizens, in basing his compensation payments upon a percentage of his average and usual earnings, and in leaving to the State the high prerogative and power, which it must exercise if it has any consistent regard for its own economy, to say that, although employed by the Federal Government or by a private employer, citizens should stand equal within the States, and should have equal treatment.

However, if it should be deemed advisable and necessary for the Federal Government to provide some uniform system of payment to its own employees, and if it should be found necessary in our experiences in the months ahead to provide for greater minimum-maximum payments and a higher percentage of the usual income or wage, those are matters which address themselves properly not to an unemployment compensation system but to the larger problem of general relief to be dealt with under a pension system or by any other appropriate means which seem proper to the legislative branch and to the entire Government itself.

Mr. President, there are certain amendments proposed to the text of the bill. All of them are technical. All of them are intended to carry out the purpose of the original draft. But since they are technical amendments, I ask first that the committee amendments be considered at this time.

The PRESIDING OFFICER. Without objection, the clerk will proceed to state the amendments reported by the committee.

The first amendments of the committee was in section 1, on page 1, line 6, after the word "subsection", to insert "a comma and"; in line 11, after the word "agency", to insert "a comma and"; on page 2, line 1, after the word "unemployment", to strike out "account" and insert "account" and a comma; in line 14, after "(h)", to insert "There is hereby established in the unemployment trust fund a Federal unemployment account"; in line 16, after the words "appropriated to," to strike out "a" and insert "such"; in line 17, after the word "account," to strike out "in the unemployment trust fund"; in line 20, after the word "Tax", to strike out "act" and insert "act" and a comma; and on page 3, line 3, after the words "purposes of", to strike out "section 1201" and insert "titles XII and XIII", so as to make the section read:

That (a) section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: "or deposited pursuant to appropriations to the Federal unemployment account."

(b) Section 904 (c) of the Social Security Act, as amended, is further amended by inserting, after the words "a separate book account for each State agency" a comma and the following: "The Federal unemployment account."

(c) Section 904 of the Social Security Act, as amended, is further amended by adding, at the end of the section, the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or set-

tlement by the General Accounting Office, to make transfers to and from the Federal unemployment account and the account of any State in the unemployment trust fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the unemployment trust fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of titles XII and XIII. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this act, for the administration of that title by the Board, and for the administration of title IX of this act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this act, the sum of \$40,561,886.43 which was authorized to be appropriated by the act of August 24, 1937 (50 Stat. 754)."

The amendments were agreed to.

The next amendment were, in section 2 on page 3, in the heading in line 18, after the numerals "XII", to strike out "loans" and insert "advances"; in line 25, after the word "year", to strike out "immediately" and insert "next"; on page 4, line 6, after the word "total", to strike out "wages" and insert "remuneration"; in line 9, after the word "State", to insert "unemployment compensation"; in line 24, after the words "transferred to", to strike out "a State agency" and insert "the account of any State"; on page 5, line 1, to strike out "a loan to such State agency" and insert "an advance"; at the beginning of line 2, to insert "to the unemployment compensation agency of such State"; in line 3, after the word "agency", to insert "to the Federal unemployment account"; and at the beginning of line 5 to strike out "whenever" and insert "to the extent that"; in line 5, after the word "State", to insert "at the end of any calendar quarter", so as to make the section read:

SEC. 2. The Social Security Act, as amended, is further amended by adding at the end thereof the following new titles:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 1201. (a) In the event that the balance in the unemployment fund of a State on June 30, 1945, or on the last day in any ensuing calendar quarter, does not exceed a sum equal to the total contributions collected under the unemployment-compensation law of the State during the calendar year next preceding such day, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the Unemployment

Trust Fund an amount equal to the unemployment compensation paid out by it in the calendar quarter following such day, which is in excess of 2.7 percent of the total remuneration, paid during such quarter, subject to State law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment-compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment-compensation agency of such State and shall be repaid by such State agency to the Federal unemployment account from the unemployment fund of that State to the extent that the fund of that State, at the end of any calendar quarter, exceeds a sum equal to the total contributions collected under the unemployment-compensation law of the State during the preceding calendar year."

The amendments were agreed to.

The next amendments were in section 3, page 5, under the heading "Title XIII—Unemployment Compensation for Federal Employees," in line 17, after the word "service", to insert "as a civilian"; in line 18, after the word "Government", to strike out "or of a wholly owned instrumentality of the United States Government"; on page 6, line 1, after the word "same", to strike out "conditions" and insert "conditions" and a comma; in line 2, after the word "compensation", to strike out "law of the State" and insert "laws of the several States"; in line 5, after the word "in", to strike out "any" and insert "a"; in the same line, after the word "State", to strike out the comma and "Territory, or the District of Columbia,"; in line 6, after the word "which", to strike out "any" and insert "a"; in line 7, after the word "performed", to insert "As used in this section, the term 'United States Government' includes any wholly owned instrumentality of the United States"; at the beginning of line 19, to strike out "United States" and insert "Federal unemployment account"; in line 24, after the word "this", to strike out "subsection" and insert "section"; on page 7, line 4, after the word "departments", to strike out "and agencies" and insert "agencies, and instrumentalities"; and on the same page, after line 9, to insert:

(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was

greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification.

So as to make the section read:

SEC. 3. (a) The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII—UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

"SEC. 1301. (a) Any person who shall have rendered service as a civilian in the employ of the United States Government after September 16, 1940, shall be entitled, in accordance with the applicable provisions of the unemployment compensation law of the State in which claim for compensation is filed, to receive compensation for each week of unemployment commencing after September 30, 1944, in the same amounts, on the same terms, and subject to the same conditions, as though the unemployment compensation laws of the several States did not exclude services performed in the employ of the United States Government. Any claim for compensation under this section shall be filed in a State in which a part of the service in the employ of the United States Government was performed. As used in this section, the term 'United States Government' includes any wholly owned instrumentality of the United States.

"(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians in the employ of the United States Government, on the basis provided in subsection (a).

"(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(d) In the event that any State does not agree to make such payments to such persons, the Civil Service Commission is hereby authorized and directed to make such payments.

"(e) All departments, agencies, and instrumentalities of the United States are di-

rected to make available to the appropriate State agency such information with reference to compensation of persons in the employ of the United States Government as may be necessary to determine the benefits payable under this title.

"(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

"(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this Act.

"(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification."

The amendments were agreed to.

The next amendments were, in section 4, on page 8, line 23, after the word "repay", to strike out "loans" and insert "advances"; in line 25, after the word "such", to strike out "loans" and insert "advances"; and at the top of page 9, to insert "Any amounts so repaid after the end of such year, and any amounts in the Federal unemployment account at the end of such year, shall be covered into the general fund of the Treasury", so as to make the section read:

SEC. 4. This act, and the amendments to the Social Security Act made thereby, shall cease to be effective at the end of the second full calendar year after the termination of hostilities in the present war as declared by Presidential proclamation or concurrent resolution of the Congress, except that the obligation of the State agencies to repay advances made from the Federal unemployment account shall remain effective until such advances are repaid. Any amounts so repaid after the end of such year, and any amounts in the Federal unemployment account at the end of such year, shall be covered into the general fund of the Treasury.

The amendments were agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. GEORGE. Mr. President, may I inquire whether the amendment on page 5, in line 17, was agreed to?

The PRESIDING OFFICER. The amendment was agreed to.

Mr. GEORGE. Very well. I have nothing further to say at this time except to make the following brief statement:

The Senate Finance Committee and the Special Committee on Post-war Economic Policy and Planning are aware of the fact that there are many phases of reconversion. Many of them involve the disposal not only of property, but also of workers themselves.

The Senate Finance Committee is desirous of doing something for at least a large number of the workers, and in order to be certain that all Federal employees may be given the benefits of unemployment compensation this bill was framed as a separate measure which, if passed by the Senate as a separate bill, would reach the House of Representatives, where further and broader amendments could be made if the House should elect to do so. By such a course there would be a certainty of action on the bill.

If there shall be any great amount of unemployment during the period of reconversion it will be found in part, and perhaps to a high degree, among the employees of the Federal Government, particularly those persons who have worked in hospitals, in shipyards, and elsewhere, and as direct employees of the Federal Government itself. Obviously, in proportion to the total number employed following the war, they will be out of employment in larger numbers than any other single group of workers. There is a certainty of, at least, some unemployment among Federal workers. There is a certainty that there will be some retrenchment in the war agencies and in the various agencies of Government which have been established in order to meet the needs of war. In other words, our Federal service has been very greatly expanded. We must contemplate some decrease in the number of Government employees. We cannot close our eyes to the fact that many direct employees of the Government will probably find themselves out of work very soon after the war shall have come to an end, or perhaps even when certain phases of the war shall have ended.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BURTON. In connection with the compensation of Federal employees, I believe that the language of the bill is applicable to any person who has rendered services as an employee of the United States Government. It is not limited to those who are employed in the civil service.

Mr. GEORGE. Oh, no.

Mr. BURTON. Any employee of the Federal Government would be eligible to the unemployment compensation?

Mr. GEORGE. Yes. I do not believe there can be any doubt about that. Therefore, Mr. President, it seems entirely right, necessary, and proper, whether the method selected be the one which is agreeable to all Senators, that the Federal Government make some pro-

vision for its own employees if they should become unemployed. Such a course would be the correct one to follow because private contractors have been taken into account, and have been reimbursed under contracts with the Government for all amounts paid by them into the insurance and unemployment compensation funds of the several States.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. KILGORE. Unless the Senator knows differently, I believe I am correct in saying that there is one type of private contractor who has been operating the merchant marine. The seamen of the merchant marine have been operating under private contract.

Mr. GEORGE. That is true.

Mr. KILGORE. And those seamen have not been included.

Mr. GEORGE. That is true.

Mr. KILGORE. The pending bill does not cover them.

Mr. GEORGE. That is true. I wish to invite special attention to that fact because if seamen of the merchant marine were included there would necessarily be brought into the taxing system additional taxpayers, and the jurisdiction over that subject is in the other House and not in the Senate.

Mr. President, I have nothing further to say at this time with reference to the bill before the Senate. I have an estimate of the probable cost, but it is an estimate only. It is, of course, predicated upon the projection of a great many conditions and suppositions, and of course cannot be taken as indicative of what may be the ultimate liability of the Government under the bill.

Mr. McKELLAR. Mr. President will the Senator from Georgia state what it is?

Mr. GEORGE. I do not have it immediately before me, but I shall obtain it and submit it for the RECORD.

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from Mr. William Green, President of the American Federation of Labor, together with a statement by the American Federation of Labor on the Kilgore-Murray bill.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. DAVIS. I yield.

Mr. MURRAY. I should like to inquire of the Senator from Pennsylvania what is the matter being inserted in the RECORD. What is it desired to accomplish?

Mr. DAVIS. I have asked to have printed in the body of the RECORD a letter which I received from the president of the American Federation of Labor with regard to the pending legislation.

Mr. MURRAY. Does the Senator desire to have it read?

Mr. DAVIS. It may be read.

Mr. WAGNER. I should like to have it read.

Mr. DAVIS. I ask that the letter be read.

The PRESIDING OFFICER. Without objection, the clerk will read the letter.

The legislative clerk read as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., August 8, 1944.

Hon. JAMES J. DAVIS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Favorable and early action in the Kilgore-Truman-Murray bill is of vital importance to the A. F. of L. as well as all other citizens' organizations. We should appreciate the help of our friends and friends of our democratic institutions in enacting this bill into law.

Your willingness to submit to the Senate the enclosed statement of the position of the A. F. of L. on the pending legislation providing for reconversion is a service that I appreciate fully.

Very truly yours,

WM. GREEN,
President, American Federation of Labor.

MR. DAVIS. Mr. President, following the reading of the letter from Mr. Green, I ask unanimous consent that the statement of the American Federation of Labor submitted by Mr. Green in connection with his letter be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The American Federation of Labor urges immediate passage of the Kilgore-Murray-Truman bill, S. 2061, to secure the greatest possible cooperative effort on the part of workers, industry, and agriculture in war production, to insure to workers a decent living while they wait for industries to convert, and to provide a sustained market for industries as they expand. The Kilgore-Murray-Truman bill provides the means to assure these ends.

We feel strongly that S. 2061 should be passed now as the war is coming to a climax so that the personal anxieties of workers as to their future may in a measure be alleviated and they may be enabled to put every ounce of effort into winning the war as quickly as possible.

There must be national coordination with over-all policy-making. For this reason the American Federation of Labor has consistently urged that there be an over-all agency responsible for this transition.

It has been the position of the American Federation of Labor that we must not make the same irreparable error in this war that we made in the last war. We should have central administration guiding demobilization of industries and armed forces, and making the necessary provisions for workers as they wait upon industries to get ready to provide jobs. It should be reason enough as a matter of simple justice that there be protection for the workers and their families who make up most of the people of the country. The American Federation of Labor believes that this emergency should be met in the most effective way—by a single coordinated plan that will take care of all seeking jobs without discrimination. Permanent expansion of social insurance should be planned for normal conditions—not this emergency. Therefore, the American Federation of Labor urges an emergency measure, limited to the months of crisis only.

The Kilgore-Murray-Truman bill provides with even-handed justice for the unemployed whether they are civilian workers or have served in the armed forces. Civilian workers, ex-service men and women and Government employees have rendered essential service in this war in the capacity for which they were best fitted, and we should make no distinctions between them in tiding them over intervals in which they are unable to find jobs. Neither the workers nor the States were directly responsible for the war and its

consequences. It is a national emergency and calls for a national solution. Workers have migrated by the millions to other States and other communities. They have produced in a way that has brought admiration and praise from distinguished leaders of other countries. Many of these millions have disrupted their homes and their usual livelihoods to make their contribution to the war, and often forced to live under admittedly intolerable conditions. Their living costs have gone up and very likely will stay up. But their take-home pay, even for those able to get jobs, will be cut by about one-fourth if wage-rates are not increased when overtime is discontinued.

Loss of jobs to workers would bring loss of markets to industry. Industry cannot produce and expand if millions of workers are unemployed and if those who receive unemployment compensation are paid amounts which would be below the level of subsistence for their families. It would start a downward spiral of curtailed production to fit the limited market, firing of more workers as production is curtailed, a smaller market, still more unemployment, and a depression worse than that of the thirties.

The maintenance of purchasing power either through adequately paid jobs or through adequate unemployment compensation would act as a form of insurance for industries and the whole economy because workers would be able to buy the products of industry, thus creating more jobs, additional purchasing power, greater opportunity for expansion. The more widespread the guaranteed purchasing power, the greater the potential expansion and the less unemployment. Thus long-continued expenditures for unemployment compensation would be unnecessary. Opponents of an emergency national unemployment benefit program based on adequate payments to individual workers, have spoken of the cost being \$20,000,000,000 to \$25,000,000,000 a year. They fail completely to consider two facts. One is that this is a legitimate war cost, due directly to the war, to be carried only through the transition, and justly payable by the Nation as a whole. The other, much more important, is that with this insurance of a guaranty to industry that it will have a market, industry will feel secure enough to plan for expansion and to put its plans into effect. The only alternative is widespread relief which would cost more in money and human life.

An excellent editorial entitled "Demobilization Pay" was carried in the Washington Post on August 4, from which I quote as follows:

"Senator GEORGE's bill extending unemployment insurance to Federal workers employed in shipyards, arsenals, and wholly owned Government corporations and providing for loans to State unemployment insurance funds as a protection against insolvency is an utterly inadequate method of dealing with the problem of demobilization unemployment. His bill makes no provision whatever for supplementing the often meager benefits paid to workers under State systems of unemployment insurance. Each State would continue to set its own scale of benefits as it now does and make payment for as many weeks as it chose. Moreover, every Federal employee brought in under the George bill would receive the scale of benefits provided by the State in which he happened to be located. Thus geographical location would determine whether the benefits payable during a period of demobilization unemployment were fairly generous or hopelessly inadequate. To us this seems to be carrying regard for so-called States' rights beyond the bounds of reason. We cannot conceive of anything more demoralizing than a plan that would result in demobilized civilian employees of the Federal Government receiving

varying amounts of benefits to tide them over periods of unemployment.

"One purpose of hastening Federal action on demobilization legislation is to keep workers in war jobs by insuring them against hardship in case of cancellation of war contracts. The George plan would actually encourage war workers to shift from States where benefits were small to those where they were assured of better treatment."

The same argument applies to all workers in war and essential industries. Workers have family responsibilities and obligations, and a pressing need to care for their families in the future as well as the present, just as the workers who are now leaving their war jobs in Washington to go back to civilian employment while they can still get jobs. The greatest inducement to get them to stay on war jobs would be national legislative assurance that they are wanted enough and have earned the right to be taken care of during the reconversion and the mass migration to new jobs.

Present State laws are inadequate in coverage and in duration and amount of benefits.

National emergency unemployment compensation is no more an invasion of States' rights than was the war itself, the establishment of new industries within the States to produce for the war, the Selective Service Act, or the war-contract-termination bill. It is a vital means of sustaining the national economy. Unless the national economy is sustained, no individual State can prosper.

We have unleashed a great productive force in this war. We cannot let it falter as we move on to victory. And we shall be derelict in our duty to the future if we squander this force in the peace to come.

Persons and organizations from all walks of life have publicly affirmed the goal of full employment after the war. Unless we direct every plan for reconversion and every resource of the Nation to that end, we shall be long years in reaching it and in the meanwhile we shall have experienced a depression that will have lost us the opportunity for helping in world recovery, economically and politically. Our hope of meeting national obligations with an annual budget of from 16 to 25 billion dollars is to maintain a national income of approximately \$175,000,000,000.

MR. MURRAY. Mr. President, I now move to amend the bill under consideration by inserting on page 1, line 2, after the enacting clause all of titles I, II, and III of Senate bill 2061, a bill to provide a national program for war mobilization and post-war adjustment, recently reported by the Committee on Military Affairs. Instead of reading this somewhat lengthy amendment in full, I should like to summarize it in a few sentences.

MR. GEORGE. Mr. President, may I ask the Senator a question?

THE PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Georgia?

MR. MURRAY. I yield.

MR. GEORGE. I am merely inquiring for the purpose of understanding where the amendment is proposed to be inserted.

MR. MURRAY. It is to be inserted on page 1, line 2, after the enacting clause. Then there are to follow subsequent amendments to the bill of the Senator from Georgia.

MR. GEORGE. Is the motion of the Senator to strike out and insert?

MR. MURRAY. No; on page 1, line 3, I propose another amendment to strike

out the first word "That" and renumber sections 1 to 4 as sections 401 to 404. That carries the bill of the Senator from Georgia into the amendment.

Mr. GEORGE. I thank the Senator. I did not catch where his amendment came in.

Mr. PEPPER. Mr. President, will the Senator from Montana yield to me?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Florida?

Mr. MURRAY. I yield.

Mr. PEPPER. If I understand correctly, then, the purport of the amendment of the Senator from Montana is to insert titles I, II, and III of the Murray-Kilgore bill just ahead of the George bill, immediately after the enacting clause.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. MURRAY. That is correct.

Mr. PEPPER. Then, at the end of the George bill, the remaining part of the Murray-Kilgore bill would be inserted, but no part of the George bill would be deleted.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. OVERTON. Am I correct in understanding the Senator from Montana to accept the George bill as amended by the Senate.

Mr. MURRAY. We are not opposing the George bill at this time. It may be subject to amendment during the course of the debate, but we are not opposing the George bill for the purpose of presenting the proposed amendments.

Mr. OVERTON. One of the main provisions of the George bill is to leave the administration under State laws. May I ask the Senator at this early moment whether he is agreeable to that arrangement?

Mr. MURRAY. Yes; we have no objection to that arrangement.

Mr. President, instead of reading the lengthy amendment in full I should like to summarize it in a few sentences.

Title I sets forth the objectives: To facilitate maximum war production; to expedite the transition from war to peace; to achieve full employment and rising standards of living; and to provide for the development of unified plans and adequate machinery to achieve those objectives. Title I would establish the office of war mobilization and adjustment, to be headed by a director. In addition, it would establish a division of programs and projects in that office to be headed by a deputy director. Both officials would be appointed by the President by and with the advice and consent of the Senate.

It will be the function of the director, with the assistance of the deputy director, to formulate plans to meet the problems of war mobilization and post-war adjustment, and to coordinate the activities of all other Government agencies in connection therewith.

Title II directs the Chairman of the War Production Board to establish a production adjustment committee, which shall consist primarily of the representa-

tives of the procurement agencies. The same title, furthermore, sets forth specific policies to be followed by the agencies in cutting back war production and resuming civilian production.

Title III would create the retraining and reemployment administration, to be headed by a work administrator, who is to be appointed by the President by and with the advice and consent of the Senate.

The principal feature of the proposal is that it provides for unemployment benefits to servicemen and civilians from \$20 to \$35, depending upon the number of dependents.

As a second amendment, I move to amend the bill under consideration by striking out on page 1, line 3, the first word "That" and by renumbering sections 1 to 4 as sections 401 to 404. As a third amendment I move to insert on page 9, after line 4, titles IV and V of S. 2061.

Inasmuch as this last amendment also is quite lengthy, I should like to summarize it as follows:

Title V, entitled "Housing and Public Works," directs the Administrator of the National Housing Agency to survey national housing needs and develop programs for such needs through private housing and through research and technical assistance given to private housing.

It further authorizes the Federal Works Administrator to make loans to State and local governments for the purpose of allowing them to draw up plans for public works. This provision, however, does not commit the Federal Government to the carrying out of such plans.

Title V contains primarily definitions applicable to the previous titles contained in the two amendments.

As a fourth amendment, I shall later move to strike out the short title "To amend the Social Security Act, as amended," and substitute "To provide a national program for war mobilization and post-war adjustment."

Mr. President, the reconversion bill which I am offering as an amendment to the pending bill, S. 2051, is a measure on behalf of our entire economy—on behalf of America's future. It is a measure to save free competitive enterprise for America and to save America from the totalitarianism that is bound to result from another depression.

During the war, we have achieved levels of production and employment unprecedented in American history. We have wrought miracles of production and the results are already being felt in all the theaters of military operations. We have achieved all-out production of the weapons of war while 11,000,000 of our ablest men and women have been serving in the armed forces.

Yet, when Germany is defeated, war production will be cut by 50 percent. Throughout our country, contracts will be canceled and jobs in war production will be ended. When Germany is defeated, demobilization of our armed forces will begin. The troop ships will bring home an ever-growing stream of returning veterans. Curtailment of war contracts and return of our servicemen—

these are the immediate fruits of victory.

It is the purpose of the reconversion bill, which I am offering as an amendment, to assure the country that we are prepared for victory. It is the purpose of the reconversion program set forth in the proposed amendment to provide the plans now and to take the steps now that are needed to prevent a repetition of what happened after the last war. We cannot afford to return to an economy of "boom and bust" of "feast and famine." We cannot afford at the end of the war to let our servicemen and our war workers fear that Hoovervilles are just around the corner. It is our duty and responsibility, as the elected representatives of the American people, to lay a firm foundation for an adventure in post-war prosperity.

There are vast sections of the world, devastated by the war, that await rebuilding. There are millions of people in our country, and in other countries, whose standard of living is still extremely low, and who represent potential customers for the products of our factories, fields, and mines. There are scores of new products and new processes that have been developed during the war and that should be exploited. The opportunities that lie before us are unprecedented, if we have the vision and wisdom to develop sound plans far enough in advance. By accepting the amendments offered by me the Congress can properly discharge its duty to the American people. It can provide concrete assurance that America will take advantage of its opportunity to achieve full employment and post-war abundance.

In February of this year, I joined my distinguished colleague from Georgia [Mr. GEORGE] in presenting a broad reconversion measure. This bill set up an over-all coordinating office and dealt in specific terms both with surplus war property and the settlement of claims on terminated war contracts. At that time, I hoped, and the Senator from Georgia hoped, that it would be possible to handle these subjects in one measure. It soon became evident, however, that the provisions on the settlement of termination claims were worked out in a satisfactory fashion. There seemed to be no reason to delay action on contract settlement until the complex problems involved in over-all coordination and in surplus war property were solved. Accordingly, contract settlement and plant clearance were dealt with in a separate measure which was signed by the President on June 30.

At the present moment there has not yet been developed a satisfactory measure on surplus war property. There are many bills pending on this subject before the War Contracts Subcommittee of the Senate Committee on Military Affairs, and it is my hope that we will soon be able to report a comprehensive surplus property measure.

But today, in the considered opinion of the Military Affairs Committee, the Senate must proceed to act upon:

First, an over-all coordinating agency to handle problems of both war mobilization and post-war adjustment;

Second, the specific policies to be followed in curtailing war production and expanding civilian production;

Third, the problems of human demobilization and reemployment; and

Fourth, preliminary steps aiming toward an appropriate post-war program of housing and public works.

These four questions, all of which are covered in the reconversion bill, S. 2061, which is now proposed as an amendment to the pending bill, have been studied together, and have been acted upon together by the Military Affairs Committee. They must be considered together and must be acted upon together by the Senate.

The proposed amendment constitutes a carefully balanced program. Title I establishes the Office of War Mobilization and Adjustment to plan the reconversion program and to exercise general supervision over the activities of the individual agencies that will administer the reconversion program.

Title II provides for the planned curtailment of war production through orderly cooperation between the various procurement agencies. Since the curtailment of war contracts releases manpower, materials, and facilities, it provides for the reemployment of these resources through the expansion of civilian production as rapidly as the military situation permits. Since the small manufacturer usually has greater difficulty in obtaining materials for the resumption of civilian production, it provides for special allocations of materials for small business. Since there are serious dangers of increased trends toward monopoly in the period of reconversion, it provides for careful vigilance by the Attorney General, who is directed to report regularly to the Congress on any trends tending to create or strengthen monopoly, or to promote an undue concentration of economic power.

Title III provides the answer to the question of human demobilization. This pivotal question is now before the Senate.

Title III supplements title II by dealing broadly with the human aspects of demobilization. It provides a clearing house for information for available job opportunities through the United States Employment Service and for transportation to the location of new jobs. It provides for the prompt demobilization of members of our armed forces, and in recognition of the fact that the absorption of our soldiers and sailors into normal employment may be a slow process, increases mustering-out payments. In recognition of the fact that expanding civilian production will inevitably call for new skills, it provides a comprehensive program of vocational training and education to take care of unemployment situations which will nevertheless arise in special areas of the economy and for limited periods of time. While the major purpose of the bill is to avoid unemployment, the bill also sets up an emergency system of unemployment benefits. It establishes benefits that are high enough to maintain purchasing power, avoid a deflationary spiral of unemployment, and thereby accelerate the wheels of industry.

Title IV supplements titles II and III by taking the first steps toward a broad program of providing employment through private housing and public works.

The basic purpose of this program is to provide employment.

But just what does the proposal contain that will encourage high levels of post-war employment?

A careful reading of the amendment provides the answer to this question.

First of all, it provides for the rapid resumption of civilian production—as rapidly as materials, manpower, facilities and other resources are released from war production.

Second, it provides for special assistance in increasing civilian production by small business firms.

Third, it provides for the planning of curtailment of war production in such a fashion that manpower and materials can be released in those areas where reemployment is most feasible and can be discarded most rapidly.

Fourth, it provides for a national clearing house to enable workers to get adequate information concerning available job opportunities.

Fifth, it provides for the transportation of workers, under adequate controls, to location of job opportunities.

Sixth, it provides for training programs to assure the skills and capacities that will be needed in expanded civilian production.

Seventh, it provides for development of a national housing program to assure millions of jobs through housing construction by private enterprise.

Eighth, it provides Federal assistance to local communities in the development of blueprints for their own local public works projects.

Finally, it provides for unemployment compensation.

Mr. PEPPER. Mr. President, I am reluctant to ask the Senator to yield.

Mr. MURRAY. I am glad to yield to the Senator.

Mr. PEPPER. If I understand the Senator correctly, then, it may be said that the Murray-Kilgore amendment, taken together with the so-called George bill, would eliminate relief lines and W. P. A.'s in the United States after the war? I think it might have that effect.

Mr. MURRAY. It would have that effect. I thank the Senator for his analysis.

Mr. President, there are those who have charged that the unemployment compensation features of this bill are wildly extravagant. They fail to realize that the purpose of the unemployment compensation provisions are not to provide relief but to stimulate purchasing power and employment.

The costs of unemployment compensation under this bill will not be high—for the simple reason that under this bill unemployment will not be allowed to become widespread or of long duration. The purpose of the unemployment compensation provisions is not to subsidize unemployment, but to prevent and eradicate it.

Congress has appropriated \$225,000,000,000 for war expenditures. We are

now producing for war at an annual rate of over \$90,000,000,000 a year. Compared to this huge expenditure for the purposes of war, the cost to the Government of the unemployment compensation provisions of this bill will be exceedingly small.

Furthermore, they will be a part of the war costs. They will represent the price that must be paid for readjusting our economy from war to peace. This is a more important and a more difficult task than the one of converting to war.

The present rates of unemployment compensation that are allowed under the various State systems are so low and of such limited duration that they offer no opportunity for the maintenance of adequate purchasing power during the period of readjustment.

At this point I should like to have printed in the RECORD a full discussion of the present inadequacy of State unemployment compensation laws. This material was presented to the Honorable James F. Byrnes by the Chairman of the Social Security Board, and was submitted to the War Contracts Subcommittee on June 12, 1944, when Mr. Byrnes testified on behalf of strengthening our unemployment compensation system.

Mr. President, I ask that a letter from Mr. Altmeyer to Director Byrnes, together with the material sent with the letter, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter and tables were ordered to be printed in the RECORD, as follows:

FEDERAL SECURITY AGENCY,
SOCIAL SECURITY BOARD,
Washington, D. C., June 2, 1944.
The Honorable JAMES F. BYRNES,
Director of War Mobilization,
The White House,
Washington, D. C.

DEAR JUSTICE BYRNES: This is in answer to your request for data on the inadequacy of the benefit and financial provisions of the State unemployment compensation laws. The major weaknesses of existing State laws are the limited duration of benefits, the low maximum weekly benefit amounts, limited coverage, unduly restrictive disqualifications, and a failure to distribute over the country the excessive financial burden which will fall on certain States in the post-war period.

The most serious inadequacy of State unemployment compensation laws is the limited period during which benefits can be drawn. In some States an unemployed person can draw only 2 or 3 weeks of benefits. Even in the rather good year, 1941, for the country as a whole, one-half of all claimants were still unemployed when they had exhausted their benefit rights. In 36 States over 40 percent of the beneficiaries used up all their benefits; in 3 States over 60 percent exhausted all rights. Many workers remained unemployed for long periods after exhausting their benefits. In many States a consistently high proportion of workers has exhausted all their benefit rights in recent years. In Texas, for example, 66 percent of the beneficiaries exhausted all benefits during 1940-41.

Duration of benefits is limited not only by the generally low maximum number of weeks for which benefits can be drawn, but also by an additional limitation of benefits to a fraction of a worker's annual earnings. As a result of these limitations, the average maximum period for which workers could be eligible in 1940 was less than 12 weeks in 9 States, including such States as Texas, New Jersey, and Connecticut. Changes have been made in duration provisions since 1941; still the picture is one of inadequacy. Some

States, such as Texas, have made no changes in duration of benefits. At the present time benefits are limited to a maximum of 16 weeks or less in 28 States.

The average weekly benefits of about \$12.60 for 1942 and \$13.80 for 1943 was only about one-third of the average weekly wage. The inadequacy of the weekly benefit amount is primarily due to the low maximums provided under the State laws. In 22 States no worker can receive more than \$15 a week in unemployment compensation, regardless of his previous wages. This maximum, and even the highest maximum weekly benefit amount in any State (\$22), automatically limits all better-paid workers to less than 50 percent of their wages. This situation is in sharp contrast to the situation under State workmen's accident compensation laws. A comparison with those laws indicates that 32 States pay higher rates for accident compensation than for unemployment compensation.

Even liberal benefit provisions can be nullified by disqualifications which deny access to benefits. There is an unmistakable trend toward more severe penalties for disqualification. The function of disqualifications is shifting from limiting benefits to workers unemployed through no fault of their own to limiting payments to cases where the employer is at fault. For example, a worker may have good personal cause for leaving a particular job. In 1938, good personal cause would justify a quit and permit a worker to draw benefits in all but 4 States. At the present time, however, 20 States limit good cause for voluntary leaving to "good cause attributable to the employer."

There is also an increasing tendency to cancel outright the benefit rights which would have been available during the period of disqualification or to cancel all benefit rights resulting from the employment which terminated under a disqualifying condition instead of temporarily disqualifying a worker. In 1938, there were 8 State laws which reduced or canceled benefit rights for 1 or more disqualifying acts; in 1940 there were 14; in 1944, the number of such States has increased to 28.

Another major weakness of unemployment compensation is its limited coverage. Only 13 States cover employers of one or more workers. If coverage for unemployment compensation were made the same as for old-age and survivors' insurance, some 3,000,000 persons would be added under the unemployment compensation program. Nearly

200,000 merchant seamen covered for old-age insurance still lack protection against unemployment which many of them are likely to suffer in the post-war period. Another major group of workers who have no unemployment compensation protection are 2,000,000 wartime workers in the Federal Government, mostly working in arsenals, depots, and navy yards.

One of the anomalies of the present system is that benefits are especially inadequate in many States with relatively large reserves. For example, in Oregon, whose law contains one of the most restrictive duration provisions in the country, the reserve fund at the end of 1943 was large enough to pay benefits at the maximum duration in that State to 85 percent of the covered workers employed at the end of September 1943. North Carolina's reserve is large enough to pay benefits to 88 percent of the workers employed at the end of September 1943, yet the average weekly benefit amount in this State (\$7.10 in 1943) has for a number of years been the lowest in any State. In other States, in which the reserve funds are relatively less adequate, contributions which would otherwise enable payment of more adequate benefits are being lost because of experience rating. In Michigan, for example, the estimated average contribution rate during 1943 was only 1.5 percent of taxable pay rolls.

We have at the present time a grand total of over \$5,000,000,000 in the State unemployment compensation reserve funds. These reserves will probably be considerably greater before the end of the war. It would cost \$5,000,000,000 to provide unemployment benefits at \$20 a week for an average of 20 weeks for 12,500,000 unemployed workers. Therefore, it might appear at first glance that our total reserves would be more than sufficient to provide fairly adequate benefits during the post-war transition period. However, it must be emphasized that this is not a single pooled fund and that the probable drain on the 52 separate reserves will vary greatly. Richard A. Lester, an economist employed by the Committee for Economic Development, has estimated that between one-third and one-half of the total reserves are completely sterile in the sense that that portion would not be used even if 12,500,000 workers became unemployed and drew all the benefits to which they were entitled under present laws. That is to say, because of the fact that unemployment varies widely from State to State and because of limitations on the amount of benefits payable to individuals,

many States will have untapped reserves although other States may have completely exhausted their reserves and ceased to pay benefits. Calculations made on various economic assumptions indicate that from 38 percent to 65 percent of the total reserves will still be unused when the first States become insolvent.

In 1940, \$518,000,000 was paid out in unemployment benefits. However, Prof. Sumner Slichter, an eminent Harvard economist and consultant to the Committee for Economic Development, has estimated that the wage loss during that year was \$7,000,000,000, so that only 7 percent of the actual wage loss was offset. Mr. Lester estimates that if there is no change in present provisions, unemployment compensation payments would not compensate for more than 10 percent of the wage loss from unemployment during the post-war transition period.

The New York Joint Legislative Committee on Industrial and Labor Conditions made a special study of unemployment compensation, issued in 1943, which included a field survey covering 11 States across the country, and reached the conclusion in its report that "the benefit provisions of the State laws cannot be said to be adequate to meet fully the needs that will arise if unemployment succeeds the cessation of hostilities. * * * It does not seem possible that in the remaining time [before the war ends] most State unemployment compensation laws will be sufficiently extended and improved to intensify sufficiently the degree of protection against widespread unemployment. The search for a solution to the problem must, therefore, proceed in other directions."

I am attaching three tables which I hope will be of value. If you wish any additional information, please let me know.

Sincerely yours,

A. J. ALTMAYER, *Chairman.*

Number of States having specific provisions in State unemployment compensation laws

	January 1940	January 1944
Coverage of employers of 1 or more employees.....	11	13
Maximum weekly benefit \$15.....	42	22
Maximum duration of benefits 16 weeks or less.....	42	28
Benefit rights canceled or reduced for voluntary leaving, misconduct, or refusal of suitable work.....	14	27

Significant provisions of State unemployment compensation laws, June 1, 1944

[Prepared for ready reference and comparison purposes. Because of the impossibility of giving qualifications and alternatives in brief summary form, the State law and State employment security agency should be consulted for authoritative information. In general, the State laws cover employment in most types of business and industry, except employment for railroads which is covered by a separate Federal law]

State and type of fund ¹	Size of firms covered (number of employees)	Eligibility	Weeks of initial waiting period	Weekly benefit rate total unemployment	Maximum payment per week	Minimum payment per week	Weekly benefit rate partial unemployment	Duration in 52-week period (lesser amount below applies)	
								Total amount of benefits (proportion of wages)	Maximum number of weeks payable
Alabama: Pooled; experience rating effective April 1941; employee contributions determined by experience rating.	Employer of 8 or more in 20 weeks.	30 times w. b. a., including \$39.01 in 1 quarter. ²	1	$\frac{1}{2}$ of high quarter's wages, established by table in law.	\$15	\$2	W. b. a. less wages in excess of \$2. ²	$\frac{1}{2}$ in 4 quarters.....	20
Alaska: Pooled.	.....do.....	25 times w. b. a.	2	$\frac{1}{2}$ of high quarter's wages.	16	5	W. b. a. less wages in excess of \$5.	.....do.....	16
Arizona: Pooled; experience rating effective January 1942.	Employer of 3 or more in 20 weeks; also all employers liable to Federal tax.	14 times w. b. a.	1	50 percent of full-time weekly wage.	15	5	W. b. a. less wages in excess of \$3.	$\frac{1}{6}$ in 8 to 12 quarters.	14
Arkansas: Pooled; experience rating effective April 1942.	Employer of 1 or more in 10 days.	22 times w. b. a.	1	$\frac{1}{2}$ of high quarter's wages.	15	3	.....do.....	$\frac{1}{2}$ in 4 quarters.....	16
California: Pooled; experience rating effective January 1941; employee contributions 1 percent of wages up to \$3,000 not to exceed 50 percent of employer's general rate.	Employer of 4 or more in 20 weeks.	\$200.....	2	$\frac{1}{2}$ of high quarter's wages, established by table in law.	20	10	.....do.....	23 to 54 percent in 4 quarters, according to schedule of wage classes.	

See footnotes at end of table.

Significant provisions of State unemployment compensation laws, June 1, 1944—Continued

[Prepared for ready reference and comparison purposes. Because of the impossibility of giving qualifications and alternatives in brief summary form, the State law and State employment security agency should be consulted for authoritative information. In general, the State laws cover employment in most types of business and industry, except employment for railroads which is covered by a separate Federal law]

State and type of fund	Size of firms covered (number of employ- ees)	Eligibility	Weeks of initial waiting period	Weekly benefit rate total unemployment	Maxi- mum pay- ment per week	Mini- mum pay- ment per week	Weekly benefit rate partial unemploy- ment	Duration in 52-week period (lesser amount below applies)	
								Total amount of benefits (propor- tion of wages)	Maxi- mum number of weeks payable
Colorado: Pooled; experi- ence rating effective Jan- uary 1942.	Employer of 8 or more in 20 weeks.	30 times w. b. a.	2	½ of high quar- ter's wages.	\$15	\$5	W. b. a. less wages in excess of \$3.	¼ in 4 quarters.....	16
Connecticut: Pooled; ex- perience rating effective April 1941.	Employer of 4 or more in 13 weeks; also all employers liable to Federal tax.	\$144.....	1	Established by weighted table in law.	22	6	W. b. a. less wages, plus \$2.	20 percent in 4 quar- ters, according to schedule of wage classes. ³	18
Delaware: Pooled; ex- perience rating effective January 1942.	Employer of 1 or more in 20 weeks; also all employers liable to Federal tax.	\$200.....	1	½ of high quar- ter's wages.	18	5	W. b. a. less wages in excess of \$2.	10 times w. b. a. plus 1 w. b. a. for each \$200 in base- period wages.	20
District of Columbia: Pooled; experience rat- ing effective July 1943.	Employer of 1 or more at any time.	Lesser of 25 times w. b. a. or \$250.	1	½ of high quar- ter's wages, estab- lished by table in law, plus allow- ance for depend- ents up to maxi- mum of \$20.	20	6	W. b. a. less wages in excess of 40 per- cent of w. b. a.	½ in 4 quarters.....	2
Florida: Pooled; experi- ence rating effective Jan- uary 1942.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax; also em- ployer with a \$5,000 quarterly pay roll.	30 times w. b. a.	1	Established by weighted table in law.	15	5	W. b. a. less wages in excess of \$2.	¼ in 4 quarters.....	16
Georgia: Pooled; experi- ence rating effective January 1942.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	Schedule requir- ing 25, 30, and 40 times w. b. a.	2	do.....	18	4	W. b. a. less wages in excess of \$3.	Uniform duration...	16
Hawaii: Pooled; experi- ence rating effective April 1941.	Employer of 1 or more at any time.	30 times w. b. a.	1	½ of high quarter's wages, established by table in law.	20	5	W. b. a. less wages...	do.....	20
Idaho: Pooled; experience rating effective July 1943.	Employer with \$78 or more wages payable in 1 quarter.	Schedule requir- ing 28 to 52 times w. b. a., including \$78 earned in 1 quar- ter.	2	Established by weighted table in law.	18	5	W. b. a. less wages in excess of lesser of ½ w. b. a. or \$5.	¼ in 4 quarters.....	17
Illinois: Pooled; experience rating effective January 1943.	Employer of 6 or more in 20 weeks.	\$225.....	1	½ of high quarter's wages.	18	7	W. b. a. less wages in excess of \$2.00. ⁷	26 to 49 percent ac- cording to sched- ule of wage classes.	20
Indiana: Contributions of 0.135 percent of employ- er's pay roll pooled; re- mainder in employer reserves; experience rat- ing effective January 1940.	Employer of 8 or more in 20 weeks.	\$250, and \$150 in the last 2 quar- ters of base period.	1	½ of high quarter's wages.	18	5	W. b. a. less wages ⁷ .	¼ in 4 quarters.....	18
Iowa: Pooled; experience rating effective January 1942.	Employer of 8 or more in 15 weeks; also all employers liable to Federal tax.	15 times w. b. a.	2	50 percent of full- time weekly wage.	15	5	W. h. a. less wages, plus \$2.	¼ in 8 quarters.....	15
Kansas: Pooled; experi- ence rating effective January 1941.	Employer of 8 or more in 20 weeks.	\$200, or \$100 in 2 quarters.	1	½ of high quarter's wages.	15	5	do.....	¼ in 4 quarters.....	16
Kentucky: Employer re- serve; earnings from in- vestment pooled; experi- ence rating effective January 1941.	Employer of 4 or more in 3 quarters of pre- ceding year, to each of whom \$50 payable in each such quar- ter, or of 8 or more in 20 weeks.	\$200.....	1	Based on schedule of annual wages.	16	5	1-week benefit rate for unemploy- ment less 80 per- cent of earnings in a 1-week period.	Uniform duration...	20
Louisiana: Pooled.....	Employer of 4 or more in 20 weeks.	20 times w. b. a.	2	50 percent of full- time weekly wage.	18	3	W. b. a. less wages in excess of \$2.	¼ in 4 quarters.....	20
Maine: Pooled; experience rating effective July 1943.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax	\$144.....	1	Based on schedule of annual wages.	18	6	W. b. a. less wages in excess of from \$2.50 to \$2.99 (in accordance with table).	Uniform duration ¹⁰ .	16
Maryland: Pooled; experi- ence rating effective July 1943.	Employer of 4 or more in 20 weeks; also all employers liable to Federal tax.	30 times w. b. a.	1	½ of high quarter's wages, established by table in law.	20	7	W. b. a. less wages in excess of \$2.	¼ in 4 quarters.....	23
Massachusetts: Pooled; experience rating effec- tive January 1942.	Employer of 1 or more in 20 weeks; also all employers liable to Federal tax.	\$150.....	1	do.....	18	6	W. b. a. less wages...	30 percent in 4 quar- ters.	20
Michigan: Pooled; experi- ence rating effective Jan- uary 1942.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	\$250 including wages in 2 dif- ferent quarters.	1	½ of high quarter's wages.	20	10	W. b. a. minus lesser of 75 percent of wages earned or wages in excess of \$3.	¼ in 4 quarters ¹¹ ...	20
Minnesota: Pooled; experi- ence rating effective Jan- uary 1941.	Employer of 1 or more in 20 weeks (of 8 or more outside cities with population of 10,000 or more); also all employers liable to Federal tax.	\$200.....	2	Based on schedule of annual wages.	20	7	W. b. a. less wages in excess of \$3.	17 to 35 percent in 4 quarters, accord- ing to schedule of wage classes.	16
Mississippi: Pooled.....	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	30 times w. b. a.	2	½ of high quarter's wages.	15	3	W. b. a. less wages in excess of \$2.	Uniform duration...	14

See footnotes at end of table.

Significant provisions of State unemployment compensation laws, June 1, 1944—Continued

[Prepared for ready reference and comparison purposes. Because of the impossibility of giving qualifications and alternatives in brief summary form, the State law and State employment security agency should be consulted for authoritative information. In general, the State laws cover employment in most types of business and industry, except employment for railroads which is covered by a separate Federal law]

State and type of fund ¹	Size of firms covered (number of employ-ees)	Eligibility	Weeks of initial waiting period	Weekly benefit rate total unemployment	Maximum pay-ment per week	Minimum pay-ment per week	Weekly benefit rate partial unemploy-ment	Duration in 52-week period (lessor amount below applies)	
								Total amount of benefits (propor-tion of wages)	Maximum number of weeks payable
Missouri: Pooled; experi-ence rating effective Jan-uary 1942.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	40 times w. h. a., including wages in 3 different quarters.	1	$\frac{1}{2}$ of high quarter's wages.	\$18	\$3.00	W. h. a. less $\frac{1}{2}$ of wages.	20 percent in 8 quar-ters.	16
Montana: Pooled.....	Employer of 1 or more in 20 weeks, or with year's pay roll over \$500.	\$150.....	2	do.....	15	5.00	No provision ¹²	Uniform duration.....	18
Nebraska: Employer re-serve; earnings in pooled account; experience rat-ing effective January 1940.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	\$200.....	2	do.....	15	5.00	W. h. a. less wages in excess of \$3.	$\frac{1}{2}$ in 4 quarters.....	16
Nevada: Pooled; experi-ence rating effective Jan-uary 1945.	Employer with \$225 or more wages pay-able in 1 quarter.	Greater of \$200 or twice w. h. a. multiplied by itself, including wages of 5 times w. h. a. in some quarter other than highest.	2	$\frac{1}{2}$ of high quarter's wages.	15	5.00	do.....	do.....	18
New Hampshire: Pooled; experience rating effec-tive January 1941.	Employer of 4 or more in 20 weeks; also all employers liable to Federal tax.	\$200.....	1	Based on schedule of annual wages.	18	6.00	W. h. a. less wages in excess of \$2.	Uniform duration.....	18
New Jersey: Pooled, ex-perience rating effective January 1942; employee contribution 1 percent of wages up to \$3,000.	Employer of 8 or more in 20 weeks.	\$150.....	1	$\frac{1}{2}$ of high quarter's wages.	18	7.00	W. h. a. less wages in excess of \$3.	$\frac{1}{2}$ in 4 quarters.....	18
New Mexico: Pooled; ex-perience rating effective January 1942.	Employer with \$450 or more wages paid in 1 quarter, or em-ployer of 2 or more in 13 weeks.	30 times w. h. a., in-cluding \$78 in 1 calendar quar-ter.	1	$\frac{1}{2}$ of high quarter's wages, established by table in law.	15	5.00	do.....	$\frac{1}{2}$ in 4 quarters.....	16
New York: Pooled.....	Employer of 4 or more in 15 days.	25 times w. b. a. ¹⁴	16	$\frac{1}{2}$ of high quarter's wages, established by table in law. ¹⁴	18	10.00	No provision ¹⁴	Uniform duration ¹⁴	20
North Carolina: 9/10 con-tributions to employer reserve; remainder pooled; experience rat-ing effective January 1943.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	\$130.....	1	Based on schedule of annual wages.	15	3.00	W. h. a. less 5/6 of wages.	Uniform duration.....	16
North Dakota: Pooled; ex-perience rating effective January 1942.	do.....	30 times w. h. a.	1	$\frac{1}{2}$ of high quar-ter's wages, estab-lished by table in law.	15	5.00	W. h. a. less wages in excess of \$3.	do.....	16
Ohio: Pooled; experi-ence rating effective January 1942.	Employer of 3 or more at any one time.	20 weeks' employ-ment and \$160.	2	Established by weighted table in law.	16	5.00	W. h. a. less wages in excess of \$2.	do.....	18
Oklahoma: Pooled; ex-perience rating effective January 1942.	Employer of 8 or more in 20 weeks.	22 times w. h. a.	1	$\frac{1}{2}$ of high quarter's wages.	16	6.00	W. h. a. less wages in excess of \$2.	$\frac{1}{2}$ in 4 quarters.....	16
Oregon: Pooled; experi-ence rating effective July 1941	Employer of 4 or more in any 1 day in any calendar quarter with pay roll of \$500.	\$200.....	2	6 percent of high quarter's wages.	15	10.00	do.....	$\frac{1}{2}$ in 4 quarters.....	16
Pennsylvania: Pooled; ex-perience rating effective January 1944.	Employer of 1 or more in 20 weeks.	\$50 in each of 2 quarters in base year.	2	$\frac{1}{2}$ of high quarter's wages, established by table in law.	18	8.00	No provision.....	27 to 56 percent in 4 quarters, accord-ing to schedule of wage classes. ¹⁷	10
Rhode Island: Pooled; em-ployee contributions 0.5 percent of wages up to \$3,000. ¹⁸	Employer of 4 or more in 20 weeks; also all employers liable to Federal tax.	\$100.....	1	Established by weighted table in law.	18	6.75	W. b. a. less wages.....	20 to 34 percent in 4 quarters, accord-ing to schedule of wage classes.	16
South Carolina: Pooled; experience rating effec-tive January 1942.	Employer of 8 or more in 20 weeks.	40 times w. b. a. (30 times if w. h. a. is \$4).	1	$\frac{1}{2}$ of high quarter's wages, established by table in law.	15	4.00	W. h. a. less wages in excess of \$1.	Uniform duration.....	16
South Dakota: Employer reserve; earnings pooled; experience rating effec-tive January 1940.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	\$126.....	1	Based on schedule of annual wages.	15	7.00	W. b. a. less wages in excess of \$2.	do. ¹⁰	16
Tennessee: Pooled; ex-perience rating effective July 1944.	Employer of 8 or more in 20 weeks.	30 times w. b. a. (25 times if w. h. a. is \$5).	1	$\frac{1}{2}$ of high quar-ter's wages, estab-lished by table in law. ¹⁹	15	5.00	W. h. a. less wages in excess of \$3.	do.....	16
Texas: Pooled; experi-ence rating effective January 1941.	do.....	8 times benefit rate for 2-week period.	1	$\frac{1}{2}$ of high quar-ter's wages (for 2-week period).	30	10.00	2-week benefit rate less wages, plus \$4.	$\frac{1}{2}$ in 4 quarters.....	8 times benefit for 2-week period. ²⁰
Utah: Pooled.....	Employer with \$140 or more wages pay-able in 1 quarter.	30 times w. h. a.	1	$\frac{1}{2}$ of high quarter's wages.	20	5.00	W. b. a. less wages in excess of \$3.	Uniform duration.....	18
Vermont: Pooled; experi-ence rating effective Jan-uary 1941.	Employer of 8 or more in 20 weeks; also all employers liable to Federal tax.	do.....	2	Established by weighted table in law.	15	6.00	do.....	do.....	18
Virginia: Pooled; experi-ence rating effective January 1941.	Employer of 8 or more in 20 weeks.	25 times w. b. a.	1	$\frac{1}{2}$ of high quarter's wages, established by table in law.	15	4.00	W. b. a. less wages in excess of \$2.	$\frac{1}{4}$ in 4 quarters.....	16
Washington: Pooled.....	Employer of 1 or more at any time.	\$200.....	1	$\frac{1}{2}$ of high quarter's wages.	15	7.00	W. b. a. less wages in excess of \$3.	$\frac{1}{2}$ in 4 quarters.....	16

See footnotes at end of table.

Significant provisions of State unemployment compensation laws, June 1, 1944—Continued

[Prepared for ready reference and comparison purposes. Because of the impossibility of giving qualifications and alternatives in brief summary form, the State law and State employment security agency should be consulted for authoritative information. In general, the State laws cover employment in most types of business and industry, except employment for railroads which is covered by a separate Federal law]

State and type of fund ¹	Size of firms covered (number of employees)	Eligibility	Weeks of initial waiting period	Weekly benefit rate total unemployment	Maximum payment per week	Minimum payment per week	Weekly benefit rate partial unemployment	Duration in 52-week period (lesser amount below applies)	
								Total amount of benefits (proportion of wages)	Maximum number of weeks payable
West Virginia: Pooled; experience rating effective January 1941.	Employer of 8 or more in 20 weeks.	\$250-----	1	Based on schedule of annual wages.	\$18	\$7.00	According to time lost on basis of schedule.	Uniform duration...	¹⁶
Wisconsin: Employer reserve; earnings pooled; experience rating effective January 1938.	Employer of 6 or more in 18 weeks or annual pay roll of \$6,000; also employer with a \$10,000 quarterly pay roll.	14 weeks' employment.	2	Schedule of average weekly wage.	20	8.00	W. b. a. less wages...	From any 1 employer's account, 1 week's benefit to each 2 weeks of employment not exceeding 40 weeks within 52 weeks preceding close of employment.	-----
Wyoming: Pooled; experience rating effective January 1942.	Employer of 1 or more in 20 weeks, and with \$150 or more wages payable in 1 quarter	25 times w. b. a., including \$70 in 1 quarter.	2	$\frac{1}{2}$ of high quarter's wages.	20	7.00	W. h. a. less wages in excess of \$3.	$\frac{1}{4}$ in 4 quarters-----	16

¹ Annual wages in excess of \$3,000 per worker excluded from employer contributions except in Nevada.

² W. b. a.—abbreviation for "weekly benefit amount."

³ Individual must have worked less than 160 hours and earned less than \$120 during the 3 weeks preceding unemployment.

⁴ Lower maximum rates and duration are provided when balance in the fund is less than 2 percent of the pay roll for 3 years ending with the base period for the benefit year.

⁵ Uniform duration.

⁶ \$20 effective Apr. 1, 1944.

⁷ Partial benefits are reduced by $\frac{1}{4}$ of w. b. a. for each normal workday during which the individual is unable to, or unavailable for, work. Also in Illinois an eligible individual unemployed for 6 or less consecutive days, shall be paid benefits equal to $\frac{1}{4}$ of the w. b. a. for each such day, less any wages payable during such period.

⁸ Or full-time weekly wage.

⁹ Effective June 13, 1944.

¹⁰ Benefit duration for lower wage classes is less.

¹¹ Lesser of \$200 or 30 percent of base period wages if such wages are less than \$800.

¹² No partial benefits paid, but earnings not exceeding \$5 are disregarded.

¹³ \$15 maximum w. b. a. and maximum duration of 16 weeks (7) if fund fails to equal or exceed \$8,000,000 for 2 consecutive months.

¹⁴ Benefits are paid for each accumulation of 4 "effective days." "Effective day" is defined as the 4th and every subsequent day of total unemployment in a week in which not more than \$24 is paid to the individual.

¹⁵ Actually, in accumulation of 8 "effective days." See footnote 11 above.

¹⁶ \$15 if fund equals less than $1\frac{1}{2}$ times highest amount of benefits paid in any 12 consecutive months.

¹⁷ 24 to 48 percent in 4 quarters if fund equals less than $1\frac{1}{2}$ times highest amount of benefits paid in any 12 consecutive months, according to schedule of wage classes.

¹⁸ Employees pay in addition 1 percent into cash sickness compensation fund.

¹⁹ Rate is $\frac{1}{2}$ and $\frac{1}{3}$ of high quarter's wages for 2 lowest weekly benefit amounts (\$5 and \$6).

²⁰ For 2-week period.

Selected unemployment compensation data

[Corrected to Aug. 16, 1943]

State	Coverage		Benefits										Financing					
	Minimum size of firm coverage ¹	Workers with wage credits in 1942 (in thousands)	Eligibility requirement ² : (minimum earnings or multiple of weekly benefit amount)	Weekly benefit amount			Percentage distribution of payments for total unemployment, January-December 1942				Maximum duration (uniform)	Average actual duration, claimants exhausting rights, benefit years ending in 1942	Exhaustion ratio for benefit years ending in 1942	Experience rating			Funds available as of June 30, 1943 (in thousands)	Date benefits first payable
				Fraction of highest quarterly earnings	Minimum	Maximum	Less than \$5	\$5-\$9.99	\$10-\$14.99	\$15 and over				Estimated average employer contribution rate, 1943 (40 States)	Percentage of rated employers with reduced rates, 1943 (40 States)	Percentage of rated employers with rates of less than 1 percent, 1943 (27 States)		
All States-----	-----	440,600	-----	-----	-----	-----	1.3	25.2	29.7	43.8	-----	-----	-----	³ 1.7	⁴ 73.5	⁵ 38.4	\$4,007,524	-----
Alabama-----	8-----	736	\$60 (30x, including \$39.01 in 1 quarter).	1/26	\$2	\$15	10.3	46.8	24.9	19.0	20x	17.0	39.7	¹ 1.2	95.2	43.8	41,893	January 1938.
Alaska-----	8-----	35	\$125 (25x)-----	1/20	5	16	-----	8.4	12.8	78.8	16x	(⁶)	(⁷)	(⁸)	(⁹)	(¹⁰)	3,663	January 1939.
Arizona-----	3-----	183	⁹ \$70 (14x)-----	¹⁰ 1/26	5	15	-----	28.2	28.9	42.9	14x	9.8	44.6	¹ 2.3	55.7	-----	10,189	January 1938.
Arkansas-----	1 to 10 days	403	\$66 (22x)-----	1/26	3	15	20.0	53.0	17.6	9.4	16x	9.5	46.2	¹ 2.2	70.4	-----	16,928	January 1939.
California-----	4-----	3,333	\$300-----	1/20	10	20	-----	-----	40.0	60.0	23.4x	16.7	33.6	¹ 2.3	37.0	-----	363,927	January 1938.
Colorado-----	8-----	331	\$150 (30x)-----	¹⁰ 1/25	5	15	-----	41.5	30.3	28.2	16x	(¹¹)	(¹²)	1.9	72.1	50.1	21,902	January 1939.
Connecticut-----	4 to 13 weeks	989	\$144-----	Table	6	¹² 22	-----	30.2	35.8	34.0	¹³ 18x	10.4	22.5	¹ 2.1	85.5	-----	105,463	January 1938.
Delaware-----	1-----	144	\$200-----	1/25	5	18	-----	57.3	26.6	16.1	20x	¹⁴ 9.0	¹⁵ 50.2	.9	96.8	75.0	11,663	January 1939.
District of Columbia-----	1 at any time	359	¹⁴ \$150 (25x)-----	1/23	6	20	.1	23.5	35.7	40.7	20x	(¹⁶)	(¹⁷)	(¹⁸)	(¹⁹)	(²⁰)	36,898	January 1938.
Florida-----	8-----	691	\$150 (30x)-----	Table	5	15	.1	42.4	32.9	24.6	16x	47.5	52.7	¹ 2.2	70.9	-----	25,689	January 1939.
Georgia-----	8-----	806	\$100 (table): 25x, 30x, and 40x, including wages in 2 quarters).	Table	4	18	9.9	54.8	17.6	17.7	¹⁶ 16x	¹³ 14.0	¹⁵ 46.2	¹ 2.1	80.4	-----	45,537	Do.
Hawaii-----	1-----	205	\$150 (30x)-----	1/25	5	20	-----	47.5	23.6	28.9	²⁰ 20x	18.7	14.1	¹ 1.7	97.6	34.0	12,988	Do.

See footnotes at end of table.

Selected unemployment compensation data—Continued

[Corrected to Aug. 16, 1943]

State	Coverage		Eligibility requirement, (minimum earnings or multiple of weekly benefit amount)	Benefits										Financing							Date benefits first payable
	Minimum size of firm coverage	Work-ers with wage credits in 1942 (in thou-sands)		Weekly benefit amount		Percentage distribution of payments for total unemployment, January-December 1942				Maxi-mum duration (uni-form)	Average actual duration, claimants exhausting rights, benefit years ending in 1942	Exhaustion ratio for benefit years ending in 1942	Experience rating			Funds avail-able as of June 30, 1943 (in -tbou-sands)					
				Fraction of high-est quar-terly earnings	Mini-mum	Maxi-mum	Less than \$5	\$5-\$9.99	\$10-\$14.99				\$15 and over	Esti-mated average em-employer contribution rate, 1943 (40 States)	Per-centage of rated em-employers with reduced rates, 1943 (40 States)		Per-centage of rated em-employers with rates of less than 1 per-cent 1943 (27 States)				
Idaho-----	1 and \$78 in 1 quarter.	¹⁸ 178	\$140 (table: 28-52x, in-cluding wages in 2 quarters, and at least \$78 in 1 quarter).	Table	\$5	\$18	-----	-----	48.1	28.9	17x	12.2	33.3	(¹⁵)	(¹⁵)	(¹⁵)	\$7,916	September 1938.			
Illinois-----	6-----	¹⁶ 3,208	\$225-----	1/20	7	18	-----	12.3	31.9	55.8	20x	12.1	30.1	1.3	80.2	33.3	350,097	July 1939.			
Indiana-----	8-----	1,233	\$250 and \$150 in last 2 quarters.	1/25	5	18	0.2	18.1	32.8	48.9	18x	11.8	35.8	⁷ 2.2	60.4	33.7	104,945	April 1938.			
Iowa-----	8 in 15 weeks.	¹⁸ 504	(15x)	¹⁶ 1/26	¹⁷ 5	15	.6	41.4	27.7	30.3	15x	8.5	46.7	1.9	72.6	46.4	34,456	July 1938.			
Kansas-----	8-----	362	\$200 or \$100 in 2 quarters.	1/25	5	15	-----	37.7	31.0	31.3	16x	10.4	47.6	⁷ 2.0	72.0	40.8	29,254	January 1939.			
Kentucky----	8 or \$50 to each of 4 workers during each of 3 quarters.	508	\$200-----	(³⁶)	5	16	8.6	60.2	23.7	7.5	*16x	16.0	46.0	⁷ 2.2	72.7	9.1	58,421	Do.			
Louisiana-----	4-----	626	\$60 (20x)-----	¹⁶ 1/20	3	18	6.6	50.9	17.7	24.8	20x	(⁹)	(⁹)	(⁹)	(⁹)	(⁹)	36,759	January 1938.			
Maine-----	8-----	273	\$144-----	(²⁰)	6	18	(¹⁵)	68.6	24.6	6.8	¹⁹ *16x	14.0	21.9	(¹⁵)	(¹⁵)	(¹⁵)	18,817	Do.			
Maryland-----	4-----	833	\$210 (30x)-----	1/20	7	20	-----	21.2	31.1	47.7	23x	10.9	44.9	(¹⁵)	(¹⁵)	(¹⁵)	69,105	Do.			
Massachu- setts-----	1-----	¹⁶ 1,865	\$150-----	1/20	6	18	-----	35.3	33.1	31.6	20x	15.4	47.2	⁷ 1.2	79.5	39.7	154,438	Do.			
Michigan-----	8-----	2,050	\$250 (in-cluding wages in 2 quarters).	1/25	7	16	-----	4.9	18.1	77.0	18x	15.2	26.9	(⁹)	(⁹)	(⁹)	173,104	July 1938.			
Minnesota-----	1 ²⁰ -----	653	\$200-----	(²⁶)	7	¹² 20	-----	22.2	36.8	41.0	16x	13.8	42.6	1.7	77.3	42.4	43,940	January 1938.			
Mississippi-----	8-----	383	\$90 (30x)-----	1/26	3	15	10.2	51.6	18.8	19.4	*14x	14.0	43.0	(⁹)	(⁹)	(⁹)	12,074	April 1938.			
Missouri-----	8-----	¹⁴ 1,173	\$120 (40x) including wages in 3 quarters. ³	1/25	3	18	3.4	30.6	24.2	41.8	16x	11.0	41.4	1.6	81.6	58.7	99,500	January 1939.			
Montana-----	1 or in excess of \$500 in 1 year.	124	\$150-----	1/25	5	15	-----	34.9	31.6	33.5	*16x	16.0	32.0	(⁹)	(⁹)	(⁹)	10,021	July 1939.			
Nebraska-----	8-----	¹⁶ 290	\$200-----	1/25	5	15	-----	38.1	36.4	25.5	16x	13.9	36.4	⁷ 2.0	66.6	39.9	15,015	January 1939.			
Nevada-----	1 and \$225 in 1 quarter.	105	\$200 ²¹ -----	1/20	5	15	-----	9.0	28.1	62.9	18x	13.1	37.3	(⁹)	(⁹)	(⁹)	5,276	Do.			
New Hamp- shire-----	4-----	¹⁶ 183	\$200-----	(³⁶)	6	²² 18	-----	55.5	35.3	9.2	²² 18x	14.9	18.4	⁷ 2.3	66.9	0	14,114	January 1938.			
New Jersey-----	8-----	1,755	\$150-----	1/22	7	18	-----	18.9	32.1	49.0	18x	²³ 10.5	²³ 39.7	(⁹)	(⁹)	(⁹)	256,692	January 1939.			
New Mexico-----	2 in 13 weeks or \$450 in 1 quarter.	¹⁸ 138	\$150 (30x, in-cluding \$78 in 1 quarter).	1/26	5	15	11.2	45.3	21.9	21.6	16x	14.7	35.2	2.1	60.6	38.0	5,595	December 1938.			
New York ²⁴ -----	4 in 15 days.	¹⁵ 5,800	\$250 (25x) ²¹ -----	1/23	²⁴ 10	²⁴ 18	-----	23.6	32.2	44.2	²⁴ *20x	13.0	46.6	(⁹)	(⁹)	(⁹)	501,004	January 1938.			
North Caro- lina-----	8-----	¹⁶ 1,061	\$130-----	(²⁰)	3	15	18.8	65.5	13.1	2.6	*16x	16.0	43.7	⁷ 2.6	24.6	.2	60,497	Do.			
North Da- kota-----	8-----	59	\$150 (30x)-----	1/26	5	15	-----	41.8	30.7	27.5	*16x	¹³ 13.5	¹³ 38.7	⁷ 1.8	74.7	-----	3,253	January 1939.			
Ohio-----	3 at any time.	2,865	\$160 and 20 weeks em-ployment.	Table	5	16	.5	21.4	36.4	41.7	*18x	²⁶ 18.0	24.3	1.4	92.7	41.4	202,002	Do.			
Oklahoma-----	8-----	¹⁶ 491	\$132 (22x)-----	1/20	6	16	.1	28.8	28.5	42.6	16x	8.8	56.7	1.5	80.1	25.3	29,652	December 1938.			
Oregon-----	4 on 1 day and \$500 in same quarter.	¹⁸ 503	\$200 ³ -----	6%	10	15	-----	.3	23.3	76.4	16x	6.5	29.6	2.3	60.7	-----	34,739	January 1938.			
Pennsylvania-----	1-----	4,014	\$100 (\$50 in each of 2 quarters).	1/16	8	18	-----	32.5	31.3	36.2	16x	9.2	36.5	(⁹)	(⁹)	(⁹)	393,832	January 1938			
R h o d e Island-----	4-----	387	\$100-----	Table	6.75	18	-----	20.2	41.5	38.3	20x	9.1	52.6	(⁹)	(⁹)	(⁹)	40,934	Do.			
South Caro- lina-----	8-----	481	\$120 (30x: 40x for all amounts above minimum).	1/16	4	15	14.0	56.5	16.6	12.9	*16x	(⁹)	(⁹)	1.8	75.7	47.5	24,331	July 1938.			
South Dako- ta-----	8-----	81	\$126-----	(²⁰)	7	15	.1	68.6	21.3	10.0	¹⁶ *16x	14.0	¹³ 31.4	1.3	72.4	60.4	4,801	January 1939.			
Tennessee-----	8-----	710	\$125 (25x: 50x for all amounts above minimum).	²⁷ 1/26	5	15	.1	57.5	24.2	18.2	*16x	16.0	42.7	(⁹)	(⁹)	(⁹)	38,301	January 1938.			
Texas-----	8-----	1,660	\$80 (16x)-----	1/16	5	15	-----	60.1	18.9	21.0	16x	9.4	57.3	1.3	94.1	51.6	96,876	Do.			
Utah-----	1 and \$140 in calendar quarter.	225	\$150 (30x)-----	1/10	5	20	-----	20.2	29.6	50.2	*20x	20.0	25.1	(⁹)	(⁹)	(⁹)	12,968	Do.			

See footnotes at end of table.

Selected unemployment compensation data—Continued

[Corrected to Aug. 16, 1943]

State	Coverage		Benefits											Financing				
	Minimum size of firm coverage	Work-ers with wage credits in 1942 (in thou-sands)	Eligibility requirement (minimum earnings or multiple of weekly bene-fit amount)	Weekly benefit amount		Percentage distribution of payments for total unemployment, Janu-ary–December 1942				Maxi-mum dura-tion (uni-form)	Ave-rag actual dura-tion, claim-ants ex-haust-ing rights, benefit years ending in 1942	Exhaustion ratio for benefit years ending in 1942	Experience rating			Funds avail-able as of June 30, 1943 (in thou-sands)	Date benefits first payable	
				Frac-tion of high-est quar-terly earn-ings	Mini-mum	Maxi-mum	Less than \$5	\$5–\$9.99	\$10–\$14.99				\$15 and over	Esti-mated av-erage em-ployer con-tribution rate, 1943 (40 States)	Per-centage of rated em-ployers with reduced rates, 1943 (40 States)			Per-centage of rated em-ployers with rates of less than 1 per-cent, 1943 (27 States)
Vermont.....	8.....	93	\$180 (30x).....	Table	\$6	\$15	0.1	49.9	28.2	21.8	18x	13.2	37.0	12.3	54.0	.....	\$7,385	January 1938.
Virginia.....	8.....	891	\$100 (25x).....	1/25	4	15	6.5	51.2	23.5	18.8	16x	13.4	24.3	71.5	92.6	.....	41,423	Do.
Washington.....	1 at any time	16,784	\$200.....	1/20	7	15	.....	16.6	27.3	56.1	16x	11.6	17.3	(9)	(9)	(9)	68,835	January 1939.
West Virginia.....	8.....	507	\$250.....	(6)	7	18	.....	49.0	31.2	19.8	*16x	16.0	31.0	1.6	85.6	43.5	44,033	January 1938.
Wisconsin.....	6 in 18 weeks. ²⁵	889	14 weeks em-ployment.	Table	8	20	.....	24.3	30.3	45.4	²⁹ 20–36½x	12.7	26.8	1.7	66.8	31.1	92,577	July 1936.
Wyoming.....	1 and \$150 in 1 quarter.	1679	\$175 (25x, in-cluding \$70 in 1 quar-ter).	1/20	7	20	.....	19.0	23.3	57.7	16x	10.3	24.5	2.0	65.6	0	4,803	January 1939.

¹ Require employment of specified minimum number of workers in at least 20 weeks except where otherwise stated.

² The dollar amount represents the minimum earnings requirement; where the wage qualification is a multiple of the weekly benefit rate, the multiple is shown in parentheses.

³ The qualifying wages must have been earned in a 1-year base period in all States except the following: Arizona, 3-quarter base period; Missouri, 2-year base period; Oregon, 1-year base period that may be extended up to 2 years.

⁴ Adjusted for duplication arising from employment of individuals in more than 1 State.

⁵ Based on 34 States.

⁶ Based on 24 States.

⁷ Law provides for maximum contribution rate of 2.7 percent.

⁸ Data not available.

⁹ Experience rating not in effect in 1943; contribution rate is 2.7 percent.

¹⁰ Or 50 percent of full-time weekly wage.

¹¹ State changed from individual to uniform benefit year; therefore, comparable data not available.

¹² Lower maximum rates and duration are provided when balance in the fund is less than 2 percent of the pay roll for 1 year ending with the base period for the benefit year.

¹³ Data relate to operations under provisions which since have been liberalized; the presently included statistics are the latest available.

¹⁴ Maximum \$250.

¹⁵ Experience rating became effective July 1, 1943.

¹⁶ Estimated by State agency.

¹⁷ Or full-time weekly wage, whichever is the lesser.

¹⁸ Less than 0.05 percent.

¹⁹ Benefit duration for lower wage classes is less.

²⁰ But services for employers not subject to Federal unemployment tax and located outside the corporate limits of a city, village, or borough of 10,000 population are excluded.

²¹ Or twice the square of the weekly benefit amount, whichever is greater, and including earnings in either case of 5 times the weekly benefit amount in some quarter other than that of highest earnings.

²² \$15 maximum weekly benefit amount and maximum duration of 16 weeks if fund fails to equal or exceed \$8,000,000 for 2 successive months.

²³ Benefit years ending July–December 1942.

²⁴ Day base plan in effect since Nov. 30, 1942, whereby benefits are paid for accumulations of 4 "effective days" of unemployment instead of weeks of unemployment.

²⁵ Benefits are paid for each accumulation of 4 "effective days." "Effective day" is defined as the fourth and every subsequent day of total unemployment in a week in which not more than \$24 is paid to the individual.

²⁶ For nondisqualified claimants filing on or after Oct. 1, 1941; 12.0 for disqualified claimants.

²⁷ Rate is 1/20 and 1/25 for weekly benefit amounts of \$5 and \$6.

²⁸ Or where employer's records do not permit accurate count, if total annual pay roll is \$6,000 or more.

²⁹ Duration depend: on continuity of unemployment and number of base-period employers.

³⁰ Annual table.

Mr. MURRAY. Mr. President, I should like to point out some of the most important facts contained in this analysis.

In some States an unemployed person can draw only 2 or 3 weeks of benefits. As of January 1944, 28 States provided maximum benefits of 16 weeks or less.

Only 13 States cover employers of 1 or more employees. Others exempt small employers. About 2,000,000 workers in Government arsenals, depots, and navy yards, and merchant seamen are not covered. The maximum weekly benefit amounts in 22 States are limited to \$15.

Mr. President, I ask that Report No. 1036 accompanying Senate bill 2061 be printed in the RECORD at this point.

There being no objection, the report (No. 1036) was ordered to be printed in the RECORD, as follows:

The objectives of this bill are the following (sec. 101):

(a) To facilitate maximum war production during the war and to expedite the transition from war to peace;

(b) To achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of the transition from war to peace, and thereafter; and

(c) To provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

TITLE I—GENERAL PROVISIONS

The recommended legislation creates the Office of War Mobilization and Adjustment to

be headed by a Director who is to be appointed for a term of 2 years by the President, by and with the advice and consent of the Senate. The Director is to be assisted by a Deputy Director who is to head the Division of Programs and Projects and who likewise is appointed for a term of 2 years by the President, by and with the advice and consent of the Senate (sec. 102 a and b).

It is the function of the Director with the assistance of the Deputy Director to (sec. 102c)—

(1) Formulate plans for war mobilization and post-war adjustment.

(2) Issue directives to other Government agencies on such plans.

(3) Where necessary recommend legislation to give additional powers to agencies to carry out such plans.

(4) Keep each Government agency informed of plans of other Government agencies; settle controversies between Government agencies.

(5) Study need for elimination of war agencies or reestablishment of some of them on a permanent statutory basis.

(6) Study the consolidation of all governmental man-power function to the greatest extent practicable.

(7) Review need for and eliminate regulations which hinder full employment and are no longer necessary for war purposes.

(8) Consult and cooperate with State and local governments, industry, labor, and agricultural groups.

(9) Submit quarterly reports to Congress on his activities.

The committee feels that it is necessary that there be a single office with adequate

authority to harmonize the activities and programs of the several Federal agencies concerned with the problems of war mobilization and reconversion. The recommended legislation does not extend into the post-war period the extraordinary war powers of the President but merely subjects to the review and coordination of the Director the exercise of powers currently vested in the various departments and agencies.

The Office of the Director is to function as a policy-making and not as an operating agency, and the Director is required to perform his duties to the fullest extent practicable through the facilities and personnel of existing Federal agencies (sec. 102d).

It is the function of the Deputy Director as head of the Division of Programs and Projects to provide the Director with adequate information on current and projected activities and to project plans and programs to be put into effect by the Director to carry out the objectives of the act.

A National Production and Employment Board is created to review the programs and activities of the Director and other Government agencies, and to make recommendations to the President, the Congress, and the Director with respect to war mobilization and post-war adjustment. The Board is to consist of three representatives each of industry, labor, and agriculture and one public member who is to be chairman. All members are to be appointed by the President, with the advice and consent of the Senate. Facilities are provided for the Board to obtain information necessary to discharge its review and recommending functions. The Director is required to establish industry and area advi-

sory councils similar in composition to the National Production Employment Board. To safeguard against possible misuse of these advisory councils for price-fixing or other restrictive purposes, full information on all such councils shall be submitted to the Attorney General and any activities which the Attorney General certifies to the Director tend to promote restraint of trade or the extension of monopoly, shall be discontinued (sec. 103).

The committee believes that the full cooperation of the principal economic groups of the country is necessary if the objectives of full employment and full production are to be achieved during the transition period from war to peace. Through the establishment of the Board and of area and industry advisory councils, the Director and Government agencies operating under his direction, will be afforded the advice and cooperation of these groups on both a national and local basis.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

Title II sets forth specific policies to be followed in cutting back war production and resuming peacetime civilian production.

The Chairman of the War Production Board, subject to the control of the Director, is required to establish policies and procedures to synchronize the resumption of peacetime civilian production with the curtailment of military production. To assist him in this function, the Chairman of the War Production Board is required to establish a Production Adjustment Committee which shall consist of representatives of the procurement agencies and such other agencies as the Director may designate.

Your committee agrees that it is the responsibility of Congress to lay down certain basic principles and policies which are to be followed by the executive agencies when these affect the economic destiny of the Nation, and to provide by statute for the effective coordination of the executive departments and agencies concerned with military and civilian production. The bill provides that—

(1) War contracts are not to be continued merely for the purpose of providing business and employment.

(2) Initiation of civilian production shall be permitted as soon as and to the extent that materials and manpower are no longer needed for war purposes.

(3) Small plants shall be assured of a fair share of the available supply of scarce materials during the period of reconversion.

(4) To further protect small business the Attorney General is directed to make surveys of factors which eliminate competition and injure small business during the period of transition from war to peace.

TITLE III—RETRAINING AND REEMPLOYMENT OF WAR WORKERS AND RETURNING SERVICEMEN

Title III creates by statute the Retraining and Reemployment Administration to be headed by a Work Administrator who is to be appointed by the President, by and with the advice and consent of the Senate. The Work Administrator is to establish a unified reemployment program covering the recruitment, training, transfer, and placement of returning servicemen and workers in war and civilian production. He is to be advised by a committee representing the principal agencies concerned with manpower and is to be furnished with such information as he may require from the armed services and the War Production Board and other agencies on the schedule of military and industrial manpower demobilization (secs. 302-304).

The committee believes that it is essential to lodge these coordinating powers in the hands of a single policy-making agency in order to achieve the stated objectives of this title, which are (sec. 301)—

1. To mobilize effectively the Nation's manpower for the war.

2. To maintain full employment in the transition from war to peacetime production.

3. To provide the necessary training and assistance to ex-servicemen and war workers.

The United States Employment Service is continued on a national basis for 2 years after the termination of hostilities (sec. 306b). The committee believes that in view of the great shifts of population during the war, it will be necessary to have a national system of locating employment opportunities in order that persons may be reemployed as rapidly as possible.

The Work Administrator is authorized to pay the cost of transportation of workers and their families from their last previous residence, where no jobs are available, to other localities, where jobs exist (sec. 306a).

The Work Administrator is authorized to provide free education or training of not more than 6 months when he determines this necessary in order to give effect to the objectives of this title. Persons receiving training are entitled to a maintenance allowance of \$50 to \$100 a month, according to the number of dependents (sec. 307).

The opportunity for training and employment authorized here is intended in the national interest to prepare the unemployed for available jobs requiring special skills. This is essential to achieve the objective of full employment during periods of high productivity and changing patterns of industrial job opportunities.

The Mustering-Out Payment Act of 1944 is amended by providing for monthly installment payments of \$100 to \$150 according to the number of dependents. Veterans are entitled to two installments plus an additional installment for each year of service and an additional installment in the case of overseas service (sec. 308).

The committee believes that returning veterans should be allowed a period of economic security during which they may make a readjustment to civilian life.

Every unemployed worker is entitled to unemployment benefits for the full duration of his unemployment during the period beginning 90 days after the enactment of this title and ending 2 years after the termination of hostilities. The benefits in the case of ex-servicemen are \$20 if the serviceman has no dependents, \$25 if he has one dependent, \$30 if he has two, and \$35 if he has three or more dependents. For persons other than ex-servicemen, the benefits are to be computed at 75 percent of the weekly wage during a base period, but not to exceed in any event the corresponding benefits for ex-servicemen (sec. 309).

No person is entitled to receive unemployment benefits if he leaves work without good cause or is discharged for misconduct or fails to accept suitable work or leaves work because of a strike or knowingly makes a false or fraudulent statement for purposes of receiving benefits. The period of disqualification in such cases is limited to 5 weeks. The bill specifies what work shall be deemed suitable for purposes of disqualification (sec. 309).

The States are to administer the benefits but if a State refuses to do so, a Federal agency may administer them. The Railroad Retirement Board administers benefits to workers now within its jurisdiction. The Work Administrator is to establish an appellate procedure to hear cases where claims for interim placement benefits have been denied (sec. 310).

The general effect of these sections of this title is to provide for a national standard scale of unemployment benefits which is to be administered by the existing State agencies. The States are to be reimbursed by the Federal Government for any difference in payments between those which they would have made under the State law existing at the time of the enactment of the title and

the amounts paid under the national standard.

In recommending these provisions, the committee believes that it is essential that unemployment benefits be adequate to maintain a decent subsistence for the individual worker and his dependents, and holds that the purchasing power provided will be a prime factor in preventing a spiral of depression. The committee believes that in the long run, the amount of money paid in unemployment benefits will be less than if lower benefits were paid and purchasing power of the unemployed was substantially destroyed, contributing to a depression.

The scale of benefits for the civilian worker has been set as a proportion of his weekly wage so as not to alter through unemployment benefits the existing wage pattern. The ceiling on benefits of civilian workers has been placed at the level of the standard payments to veterans.

It would be possible for Congress by legislation to require the States to pay these higher benefits to persons now covered by unemployment insurance out of their present reserves. Such action would seem arbitrary, however, since these reserves were built up on the basis of existing State law.

The unemployment which appears during the transition period from war to peace will be the inevitable result of the cancellation of Government contracts. These dislocations in job opportunities are a necessary part of the national war effort. In drafting these provisions the committee has been careful not to federalize existing State unemployment compensation systems. A period up to 2 years after the war is provided during which the committee believes the States may well prove their ability to provide adequate benefits from State funds through local machinery which is preserved by this recommended legislation.

TITLE IV—HOUSING AND PUBLIC WORKS

The Administrator of the National Housing Agency is directed to survey national housing needs and develop programs for meeting such needs through private housing and through research and technical assistance given to private housing.

The Federal Works Administration is authorized to make loans to States and local governments for the purpose of allowing them to draw up plans for public works. This does not commit the Federal Government to finance the carrying out of such plans.

TITLE V—MISCELLANEOUS PROVISIONS

Title V contains definitions applicable to previous titles. It further provides that the expiration date of the act shall be 24 months after the termination of the war.

When the Director of War Mobilization and Adjustment is first appointed, the Office of War Mobilization established by Executive order shall cease to exist, and all records and property of that Office shall be transferred to the Office of Mobilization and Adjustment. All orders and directives prescribed by the Director of War Mobilization, in effect upon the effective date of the act and not inconsistent therewith, shall remain in full force and effect unless and until superseded by the Director, in accordance with the act.

The short title of the bill is "War Mobilization and Adjustment Act of 1944."

Mr. MURRAY. In addition, Mr. President, I should like to offer for the Record excerpts from the statements of certain witnesses who appeared before our committee during the course of our studies of this proposed legislation. The excerpts are very brief, and I shall therefore read them.

Matthew Woll, chairman of the American Federation of Labor Committee on Post-war Planning, testified before our

committee on April 4, 1944. Among other things he said:

Our economy is disturbed and disrupted in our supreme effort to win the war, and the delicate and complex interrelationships between industry and industry, agriculture and industry, labor and industry, between all of them and the Government, and again with the consumer, have been distorted from the interrelationships which existed in peacetime economy. It is unlikely that they will ever again be as they were in the past. Nor do we want them to be the same, I am sure. That would mean going back with a sudden contraction to an economy with half of our present productive capacity, with a resultant depression worse than that of the thirties, and instead of the unemployment of about 9,000,000 in 1940 an unemployment of some 19,000,000.

Moreover, the responsibility in a national emergency is not that of the States or private individuals but that of the Nation. In this emergency during the transition period the provision for emergency unemployment compensation would be the most equitable method of providing for discharged workers and in coordinating this program with the provisions for discharged service men and women. There seem to us to be good provisions under this title for the maximum potential contribution of the workers to the future of this country not only through the preservation of their self-respect and morale but through provisions for their better education and training.

Even if we have the 1940 production level, when we had 9,000,000 unemployed, we figure we would have 19,000,000 unemployed. So we are seriously disturbed on that, and we feel some provisions should be made for the taking care of those unemployed in that period of time; and by reason of the fact that our unemployment compensation is being conducted on State lines, that does not take care of that situation. We feel it is important now to provide for unemployment compensation, not alone for the servicemen, but likewise for the workers in war production.

On April 5, 1944, John Fennelly, executive director of the committee for economic development, testified before our committee, as follows:

As a result of the increased working population and the other technological advances during the war we obtained the conviction that if we had merely a reconversion back to the levels of 1940, we would be faced with an unemployment problem of perhaps fifteen to nineteen million people, as compared with a figure of somewhere around nine million in 1940. Therefore to cope with the problem we became convinced it was necessary to get the industrial machine of the United States into high gear at the earliest possible date at the end of the war. That is the only way the job can be done. And as we have gotten into these problems we have become more and more convinced that every single post-war problem or transitional problem can be solved only insofar as we adjust them to a high national output at the earliest date after the war.

We became convinced that time is just as important in handling these post-war problems, particularly the transitional problems, as time has been essential in handling the problems of war; and we believe that practically all of these problems must be measured and judged by the speed with which they can be handled and by the release of productive effort at the earliest possible date.

On April 14, 1944, James G. Patton, president of the National Farmers Union, testified before our committee as follows:

The basis for a program of full employment in agriculture is Government assur-

ance of adequate purchasing power to buy all the goods which need to be produced under a modern American standard of living, which American factories and farms are capable of producing, and which American workers and farmers are eager to produce. At such a level, the present levels of employment, income, and well-being of agriculture can be maintained and increased by from ten to 40 million more acres in cultivation and reentry into farming of at least half the farm men now in the armed services.

The issues of post-war economics are being shaped here and now. Big business won the battle of conversion to war. If big business is allowed to win the battle of reconversion, the consequences will be disastrous. The extension of economic activity in America after the war will depend in great measure upon the opportunity for independent enterprise and small businessmen to pioneer new industry. It will depend upon the ability of the competitive segments of industry to prevail over the philosophy of scarcity that dominates the thinking and policies of monopoly.

If we have disconnected legislation, then segment by segment, it will be beaten by the bug-a-boo of disappointment and confusion, and, segment by segment, people will begin to look for a "man on a white horse" just as they have in some other countries. Unless it is integrated, unless it does count the people in, not just those who have, but count them all in, then the cynicism, the loss of faith in the steps which we have had may easily reach the point where our people will have no faith in either the administrative or the legislative branch of the Government, and when that happens you have indigenous fascism.

Dr. Alvin Hansen, economic adviser of the Federal Reserve Board, also testified before our committee on April 14. He said:

No modern society can endure for long the strains and stresses of deflation, depression, and unemployment. In the seventies and nineties we tolerated serious depression because we were then largely a rural society. But highly urbanized and highly industrialized societies are extremely vulnerable to depression and unemployment. We can no longer take a laissez faire attitude. No government in the future can again permit our national income to fall to one-half in 3 short years as it did from 1929 to 1932. We shall, in fact, I am convinced, use fiscal policy. The only question is shall we use it haphazardly and, therefore, with quite unsatisfactory results, or shall we use a compensatory and developmental fiscal program in a rational and planned way. This is the question.

We have thus far made little headway with a rational fiscal program. The spending program of the thirties was essentially a salvaging process. We salvaged the banks, we salvaged the railroad, we salvaged bankrupt farmers, we salvaged bankrupt home owners, we salvaged the 17,000,000 unemployed with work relief. We now need a positive program to prevent serious depression. Yet the fact is that we are still making no adequate preparations. We have done nothing so far which gives us any assurance whatever that we shall not again be confronted with a devastating depression.

And let us not forget that under modern conditions the national income can fall with dramatic suddenness to astoundingly low levels within a few months. Without useful and productive public-improvement projects ahead we shall again be forced to resort to boondoggling. Our utter lack of well-developed public investment program is a shocking revelation of economic and financial irresponsibility.

On April 20, 1944, Mr. Maury Maverick, Chairman of the Smaller War Plants

Corporation, appeared before our committee and stated as follows:

Holding up small plants from reconversion opens invitation to disaster. The notion voiced by some people that small concerns should be barred from entering civilian production—even when people need the goods and the production is not harmful to the war effort—and all for fear that they will gain a competitive advantage over their bigger competitors, points the road to ruin of small business in this country. Carried to its logical conclusion, it means that small business must stagnate and mark time and the people do without, so the big producers can prepare to go into civilian production. Such a policy, in my judgment, would be an open invitation to economic disaster.

I urge upon your committee that a plant employing 5,000 people in any community, especially in a tight labor area, is apt to aggravate the labor situation if permitted to resume civilian production. Contrasted with that, a plant employing 50 or 100 people lends itself ideally to a flexible process of gradual conversion to peacetime production. If numbers of small businesses are thus permitted to resume, they will open a ready market for available surpluses. And we can literally save the business lives of many thousands of smaller plants.

Mr. President, last week the leaders of both parties urged the Members of Congress to return to Washington immediately for the purpose of enacting the legislation needed to avoid the economic crisis that might otherwise develop after the defeat of Germany. We came back to Washington intent upon demonstrating to the people of our country that the Congress will not let them down. We came back to Washington to do the entire job.

The reconversion bill which has been reported from the Military Affairs Committee provides Congress with the opportunity to discharge its responsibilities to the American people. It is a statesmanlike measure which will enable us to avoid another depression such as that which followed in the wake of the First World War. Its enactment by the Congress will lay the basis for our achieving an expanding and thriving economy with improved standards of living for all the people of our country.

The eyes of America are upon us. The workers in our war factories are waiting expectantly to find out what we do here today. Our soldiers and sailors throughout the world are eager to learn that their representatives in the United States Senate are resolved to provide the kind of a world for which the war is being fought.

Let us face this issue in a nonpartisan fashion. I call upon the members of both parties to support the amendment before the Senate as a means of insuring that America is fully prepared for peace.

The stakes at issue here are the jobs of 50,000,000 American men and women—the jobs of those who now are fighting on our war fronts and will soon be returning, and the jobs of those who today are engaged in the production of munitions and essential civilian goods.

Mr. President, we have heard much talk about war surpluses. We know that this bill does not deal with surplus property. Yet in a higher sense this is a bill dealing with the surplus problem. It is a bill to prevent surplus manpower.

We all know that when the war is over we will have vast quantities of surplus materials, weapons of war, and plants. But are the men and women who now are giving their all to the war effort to be told that they will no longer be needed in our peacetime economy? Will our returning veterans be told that they are no longer needed by the country for which they have fought? Will we find that once again there are millions upon millions of Americans who cannot be given jobs and who are surplus to our economic needs?

If this occurs I am afraid the free enterprise system will be doomed in America. Our only hope of preserving our democratic institutions is the enactment of broad post-war legislation which will prevent the development of surplus manpower, and will guarantee full employment for our people.

Such a program is envisaged in the amendments which we have proposed to the pending measure, and we feel confident the Senate will support them.

The PRESIDING OFFICER. Is it the purpose of the Senator from Montana to have the Senate consider titles I, II, and III of his bill as one amendment or as three separate amendments?

Mr. MURRAY. As one amendment.

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHITE. Am I correct in my understanding that the first amendment comprehends the inclusion of titles I, II, and III of the so-called Murray bill?

Mr. MURRAY. That is correct, Mr. President.

Mr. WHITE. And then is there another amendment which will carry titles IV and V of the Murray bill?

Mr. MURRAY. Yes. The second amendment deals with the George bill, which is the pending measure, and makes amendments to it. Then follow the additional titles in the so-called Murray bill.

Mr. WHITE. The additional titles would be titles IV and V of the Murray bill; is that correct?

Mr. MURRAY. Yes. The bill of the Senator from Georgia would become title IV, under the amendment.

Mr. BURTON. Mr. President, will the Senator yield to me?

Mr. MURRAY. I yield.

Mr. BURTON. Am I correct in understanding that titles IV and V of the Murray bill will also appear in the measure?

Mr. MURRAY. Yes.

Mr. BURTON. Will the whole Murray bill be included?

Mr. MURRAY. Yes. Titles I, II, and III will precede the George bill and titles IV and V of the so-called Murray-Kilgore bill will follow the George bill.

The PRESIDING OFFICER. The amendments proposed by the Senator from Montana will be stated.

The CHIEF CLERK. The first amendment proposed is to insert on page 1, after line 2, the following:

TITLE I—GENERAL PROVISIONS

SEC. 101. The Congress hereby declares that the objectives of this act are—

(a) to facilitate maximum war production during the war and to expedite the transition from war to peace;

(b) to achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of transition from war to peace, and thereafter, and

(c) to provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

SEC. 102. (a) There is hereby established in the Executive Office of the President, the Office of War Mobilization and Adjustment (hereinafter called the "Office"), which shall be headed by the Director of War Mobilization and Adjustment (hereinafter called the "Director"). The Director shall be appointed for a term of 2 years by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$15,000 per year.

(b) There is hereby established in the Office of War Mobilization and Adjustment a Division of Programs and Projects to be headed by a Deputy Director, who shall be appointed for a term of 2 years by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$10,000 per year. It shall be the function of the Deputy Director and the Division of Programs and Projects to assist the Director in discharging his responsibilities under subsection (c) of this section.

(c) In addition to any authority which the President may delegate to him, the Director shall, subject to the direction of the President and with the assistance of the Deputy Director—

(1) formulate or cause to be formulated plans to meet the problems of war mobilization and post-war adjustment in such a manner as to achieve the objectives of this act;

(2) issue such directives on policy, plans, and operations to other Government agencies as may be necessary to carry out, and to coordinate their activities in connection with, such plans, and review the programs and activities of other Government agencies with respect to war mobilization and post-war adjustment. Each Government agency shall carry out the directives of the Director expeditiously and, to the extent necessary therefor, shall modify its operations and procedures and prescribe further regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities to carry out any plan formulated under this section which are not within the scope of the powers possessed by the President or the Government agencies under the Constitution or under provisions of law other than this section;

(3) recommend to the Congress appropriate legislation to carry out plans developed by him but not authorized to be carried out under existing law;

(4) evaluate and report on current and projected public and private activities affecting war mobilization and peacetime full production and employment; survey continuously the necessity for such additional programs of legislation as will achieve the objectives of this act; promote and assist in the development of war mobilization and post-war adjustment plans and surveys by other Government agencies; such surveys shall include (without being limited thereto) programs and measures for public works, housing, taxation, industrial and regional development, expansion of foreign trade, social security, and the maintenance of competitive enterprise; develop procedures to inform each Government agency of proposed war mobilization and post-war adjustment plans and proposals related to its work which are being developed or carried out by any other Government agency; and settle controversies between Government agencies in the development and administration of their plans or plans developed by the Director;

(5) make or cause to be made studies which will enable him to determine the need for (A) simplifying, consolidating, or eliminating Government agencies established for purposes of the war emergency, and (B) reestablishing by statute or terminating agencies which exist under Executive order only and for the relaxation or removal of emergency war controls;

(6) institute a specific study of the present functions of the various Government agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) survey continuously all rules, regulations, and orders issued by any Government agency exercising control over manpower, production, or materials, for the purpose of determining whether any such rules, regulations, or orders prevent or hinder the full employment of the Nation's manpower by private employers capable and desirous of resuming, expanding, or initiating production for nonwar use. Whenever the Director determines that any such rule, regulation, or order so prevents or hinders full employment and is not required for the purpose of insuring production for war purposes, he shall direct such Government agency to rescind, modify, or amend such rule, regulation, or order;

(8) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national, regional, and local, concerning methods of achieving the objectives of this act; and

(9) submit reports to the President, the Senate, and the House of Representatives on the first days of January, April, July, and October, on the activities undertaken by him under this act. Such reports shall summarize and appraise the activities of the various Government agencies in the fields of war mobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that assistant directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Director may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this act, and each Government agency shall furnish any information and reports so required.

SEC. 103. (a) There is hereby created a National Production Employment Board (hereinafter in this title called the Board), the members of which shall be appointed by the President, by and with the advice and consent of the Senate, and which shall include three representatives of industry, three representatives of labor, three representatives of agriculture, and one public member who shall be Chairman. An alternate for each member of the Board other than the Chairman shall be appointed by the President, by and with the advice and consent of the Senate, to sit and act for such member when authorized by such member to sit and act for him. The Board shall, by a majority vote of its members, determine the rules of its procedure, except as otherwise defined by this

act, and the powers conferred on the Board by this act may be exercised by a majority vote.

(b) It shall be the general function of the Board to review the programs and activities of the Director and other Government agencies with respect to war mobilization and post-war adjustment and make to the President, the Congress, and the Director such recommendations relating to legislation, policies, and procedures as it may deem necessary to achieve the objectives of this act.

(c) The Deputy Director shall serve as the executive secretary of the Board. He shall prepare, upon request of the Board, such reviews of plans, reports, and studies, and shall secure for the Board and each individual member thereof such other information from the Director, as may be necessary to enable the Board to discharge its functions under this act.

(d) The Director, the Chairman of the War Production Board, and such other Federal officials performing functions subject to direction by the Office, as shall be designated by the Board, shall meet with it at least once a month at such times as may be designated by the Chairman of the Board to consult and advise with it on all basic policies and programs which are subject to direction by the Office.

(e) In order to provide for the effective cooperation of industry, agriculture, and labor with respect to the war mobilization and post-war adjustment problems of particular industries and areas, the Director, with the advice and consent of the Board, shall—

(1) establish industry advisory councils for the various industries, and area advisory councils for various geographic areas, which are substantially and directly affected by the policies, programs, and operations of Government agencies performing functions subject to the jurisdiction of the Office: *Provided*, That full information on all such councils shall be submitted to the Attorney General and no such councils shall continue any operations or activities which the Attorney General finds and certifies to the Director tend to promote the restraint of trade or the extension of monopoly;

(2) appoint and fix the number of the members of such councils. The members of such councils shall be representative in the industry concerned or area concerned, as the case may be, of industry, labor, and, wherever appropriate, agriculture;

(3) define the industries or areas with respect to which such councils, respectively, shall have jurisdiction;

(4) prescribe rules and regulations governing the organization; procedures, and operations of such councils; and such rules and regulations shall contain appropriate provisions protecting confidential Government information and preventing the operations of such councils from unduly interfering with or delaying the operations of Government agencies; and

(5) prescribe rules and regulations governing the extent to which Government agencies performing functions subject to the jurisdiction of the Office shall consult and advise with such councils with respect to the formulation and execution of policies and programs affecting the industries or areas represented by such councils.

(f) All appointments of members or alternates to the Board, and of members of the area and industry advisory councils, may be made without regard to any of the provisions of law with respect to the appointment and compensation of employees of the United States. Members and alternates of the Board shall serve without remuneration, except for per diem allowances as shall be prescribed by the Director, not to exceed \$25 each day spent in the actual performance of duty, plus necessary traveling and other expenses incurred while so engaged.

(g) The Director, through the facilities of the Office, shall provide the Board with such technical and clerical staff as may be necessary.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

SEC. 201. Subject to the provisions of this act, and contracting agency shall terminate contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the continuation of some or all of the work under any such contract will benefit the Government or is necessary to avoid substantial injury to the plant or property.

SEC. 202. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Chairman of the War Production Board, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts.

(b) The War Production Board and other Government agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Permission to produce any item or group of items for nonwar use shall not be restricted to plants previously engaged in the production of such item or group of items, and shall not be withheld from any plant for the reason that any other plant is occupied with war contracts and cannot therefore produce such item or group of items for nonwar use at that time.

(c) The Chairman of the War Production Board shall, subject to the direction of the Director—

(1) establish a Production Adjustment Committee which shall consist of representatives of the Department of War, the Department of the Navy, the Maritime Commission, the Reconstruction Finance Corporation, the Foreign Economic Administration, the War Manpower Commission, the Office of Price Administration, and of the War Production Board (including the Chairman of the Board of Directors of the Smaller War Plants Corporation, the Vice Chairman for Civilian Requirements, and the Vice Chairmen for Labor Production and Manpower Requirements), and such other representatives of Federal agencies as the Director may designate, and shall advise and consult with the Production Adjustment Committee with respect to the functions vested in him by this section;

(2) establish policies and procedures to be followed by the contracting agencies in the curtailment, nonrenewal, and termination of contracts, to include as he may deem necessary the submission of detailed programs for approval;

(3) establish policies and procedures providing for full consultation between the contracting agencies and prime contractors, and to the extent feasible with subcontractors, with respect to the selection of subcontracts for curtailment, nonrenewal, or termination;

(4) establish policies and procedures for providing war contractors and their em-

ployees with notice curtailments in war production or termination of war contracts as far in advance of curtailment or termination as is feasible and consistent with the national security without permitting unneeded production or performance;

(5) consult with other Government agencies, war contractors, and subcontractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower released through curtailments in war production or terminations of war contracts.

(d) Subsection (a) of section 11 of the Contract Settlement Act of 1944 is hereby repealed.

SEC. 203 (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by the War Production Board or any other Government agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from achieving reasonable economies of operations in such production.

(b) Whenever the War Production Board or such other Government agency releases or authorizes the use of any materials, subject to quotas, production schedules, or any other restrictions, for the production of any item or group of items for nonwar use, it shall set aside a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the Chairman of the War Production Board or the head of such other Government agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation.

In allocating the materials thus set aside among such small plants, the Chairman of the War Production Board or the head of such other Government agency shall follow the criteria, standards, quotas, schedules, or other conditioning factors to be established by the chairman of the board of directors of the Smaller War Plants Corporation and shall prevent any discrimination against such small plants in the sale and delivery of such materials. For the purposes of this title, a small plant means any small business concern engaged primarily in production or manufacturing employing 250 wage earners or less. The Chairman of the War Production Board or the head of such other Government agency may agree with the chairman of the board of directors of the Smaller War Plants Corporation that other business concerns may be considered small plants by reason of their relative size in industry.

SEC. 204. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

TITLE III—RETRAINING AND REEMPLOYMENT OF WAR WORKERS AND RETURNING SERVICEMEN

SEC. 301. The Congress hereby declares that the objectives of this title are—

(a) To facilitate the most effective mobilization and maximum utilization of the

Nation's manpower in the prosecution of the war;

(b) To maintain maximum employment in the transition from war to peacetime production;

(c) To provide for the coordination of the demobilization of servicemen with employment opportunities under a policy of demobilizing servicemen as rapidly as the military situation permits;

(d) To provide necessary training of ex-servicemen and war workers; and

(e) To provide the necessary economic assistance to returning ex-servicemen and war workers in connection with transfer, training, and reemployment.

SEC. 302. There is hereby created a Retraining and Reemployment Administration to be headed by an Administrator who shall be appointed by the President by and with the advice and consent of the Senate, and who shall receive a compensation of \$12,000 per annum. It shall be the function of the Administrator of the Retraining and Reemployment Administration (hereinafter referred to as the Work Administrator), subject to the discretion and control of the Director, to establish a unified reemployment program covering recruitment, training, transfer, and placement of returning servicemen and workers in war and civilian production. The reemployment program shall include provision for compiling full detail on declining and increasing employment opportunities (by industrial segments, geographic areas, and plants) resulting from curtailment in war production and resumption of civilian production; for placement of workers in appropriate employment; and for interim financing of workers, including returning servicemen, pending placement in accordance with the authority of this title. The Work Administrator shall prescribe regulations and issue directives to Federal agencies necessary to effectuate the objectives of this title and all such Federal agencies shall be governed by these.

SEC. 303. The Work Administrator shall consult and advise with a Committee on Retraining and Reemployment, consisting of one representative from each of the following: Department of Labor, Veterans' Administration, War Manpower Commission (for the War Manpower Commission and the Federal Security Agency), War Production Board, Selective Service System, Civil Service Commission, War Department, Navy Department, and such other Federal agencies as the Work Administrator may designate.

SEC. 304. (a) The War Production Board and other agencies having data on production changes and employment opportunities shall furnish the Work Administrator full information on current and projected schedules of military and civilian production in such detail as the Work Administrator shall deem necessary.

(b) The War and Navy Departments shall furnish data on current and projected rates of discharge of servicemen providing such details concerning the servicemen as the Work Administrator may deem necessary and is practicable for the War and Navy Departments to furnish. It shall be the duty of the War and Navy Departments to anticipate so far as practicable, the forward programs of demobilization of servicemen, and to cooperate with the Work Administrator in furnishing such data on such demobilization as military security permits.

(c) The War and Navy Departments shall discharge from the armed forces of the United States the men and women serving therein during the present war as rapidly as the appropriate department determines that the services of such persons are no longer needed for the prosecution of the war or for the national defense, and shall not retain such persons in the armed forces merely for the

purpose of preventing unemployment or awaiting opportunities for employment.

SEC. 305. The Work Administrator may perform the functions and exercise the powers, authority, and discretion conferred on him by this act through such officials and such agencies and in such manner as the Work Administrator, subject to the provisions of this act, may determine. In carrying out the purposes of this act, the Administration may utilize the services of any other Government agency.

SEC. 306. (a) In order to facilitate the recruitment, training, transfer, and placement of workers and ex-servicemen, the Work Administrator is hereby authorized to pay the cost of transportation of workers and ex-servicemen, including transportation of dependents and household effects, from their last previous residence to new jobs, in accordance with such regulations as may be prescribed by the Work Administrator: *Provided*, That such transportation allowances shall not exceed the allowances provided for Government employees in the Standard Government Traveling Regulations, as approved by the President.

(b) The United States Employment Service shall be continued as a nationally operated system of public employment offices for a period of 2 years after the termination of hostilities as proclaimed by the President or by concurrent resolution of the Congress.

SEC. 307. (a) Whenever he deems it necessary, in order to give effect to the objectives of this title, the Work Administrator is authorized to provide to any person vocational free education or training, of not more than 6 months of full-time study or its equivalent in part-time study in addition to any free education or training now provided by law.

(b) Every person, while he is receiving vocational education or training on a full-time basis, shall be entitled to receive a maintenance allowance at the rate of \$50 a month if he has no dependent, \$75 if he has one dependent, and \$100 if he has two or more dependents. The Work Administrator may provide for maintenance allowances, under such conditions and in such amounts as may be prescribed by regulations, to servicemen and civilian workers receiving education or training on a part-time basis; but no such allowance shall be paid to any person receiving training on the job. Persons undergoing such training shall not be eligible for interim placement benefits during the period of such training.

(c) The Work Administrator shall from time to time make available information respecting the need for general education and for trained personnel in the various trades, crafts, and professions. He shall make educational and vocational guidance generally available.

SEC. 308. Section 2 of the Mustering-Out Payment Act of 1944 is amended to read as follows:

"Sec. 2. Mustering-out payment for persons eligible under section 1 shall be made in equal monthly installments. The first installment shall be paid at the time of final discharge or ultimate relief from active service, and the remaining installments shall be paid in successive months thereafter. Each installment shall be at the rate of \$100 if the member of the armed forces has no dependent, \$125 if he has one dependent, and \$150 if he has two or more dependents. All persons shall be entitled to two installments plus an additional installment for each year of active service or major fraction thereof. Any person who has served outside the continental limits of the United States or in Alaska shall be entitled to a further additional installment."

SEC. 309. (a) Every unemployed qualified employee (as defined in sec. 310) shall be entitled, upon registration with a public em-

ployment office designated by the Work Administrator, to placement in suitable employment if available.

(b) "Interim placement benefits" shall be paid to any qualified employee (as defined in sec. 310) with respect to each week of unemployment or part week of unemployment occurring during the period beginning the third calendar month after the date of enactment hereof and ending with the last day of the twenty-fourth calendar month following the termination of war: *Provided*, That for a person who is an ex-serviceman, benefits shall accrue for unemployment occurring in the 24 calendar months after his discharge or release from military service, if such 24 calendar months shall end subsequent to the 24 calendar months following the termination of the war. For a qualified employee the "interim placement benefit" payable for a week of unemployment in any benefit year shall be 75 percent of "weekly wages": *Provided, however*, That these amounts shall be rounded upwards to the nearest dollar, but shall not in any event exceed \$20 for an individual if he has no dependents, \$25 if he has one dependent, \$30 if he has two dependents, and \$35 if he has three or more dependents: *Provided further*, That for a qualified employee who is an ex-serviceman, the "interim placement benefit" payable for a week of unemployment shall be \$20 if such ex-serviceman has no dependent, \$25 if he has one dependent, \$30 if he has two dependents, and \$35 if he has three or more dependents: *And provided further*, That the benefit rate of a qualified employee in any benefit year shall be not less than the rate established in the first benefit year for such employee.

The "interim placement benefit" payable for a part week of unemployment in any benefit year shall be one-fifth of the benefit for a week of unemployment multiplied by the number of days of unemployment in excess of two in such week.

(c) There shall not be considered as a day of unemployment, with respect to any employee—

(i) any day on which he fails to maintain, in accordance with regulations prescribed by the Work Administrator, a registration at a public employment office;

(ii) any Sunday not preceded by a day of unemployment and unless it be the last day of a week of unemployment or a part week of unemployment, not followed by a day of unemployment; and

(iii) any day in any period with respect to which he is receiving or has received annuity payments or pensions under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937 or insurance benefits under title II of the Social Security Act, or annuities under the Civil Service Retirement Act, or a vocational education or training allowance under this title, or a mustering-out payment, or unemployment benefits under an unemployment compensation law of any State or of the United States: *Provided*, That if any such payment is less in amount than the "interim placement benefits" under this act which, but for this paragraph, would be payable with respect to such period, the preceding provisions of this paragraph shall not apply but such "interim placement benefits" shall be diminished in the amount of such other payments.

(d) There shall not be considered as a day of unemployment, with respect to any employee, any day in a period of not more than 5 weeks, beginning with a day with respect to which the agency administering benefits finds that—

(i) he failed, without good cause, to accept suitable work available on such day and offered to him, or to comply with instructions from a public employment office to apply for such work or to report, in person, or by mail, as directed, to such office;

(ii) he was properly discharged or suspended for misconduct related to his employment;

(iii) he left work voluntarily, without good cause;

(iv) subject to the provisions of subsection (e) of this section, his unemployment was due to a stoppage of work because of a strike in the establishment, premises, or enterprise at which he was last employed;

(v) he knowingly made, or aided in making, or caused to be made any false or fraudulent statement or claim for the purpose of causing benefits to be paid. The length of the periods of disqualification, within the limit of 5 weeks specified above, with respect to the findings herein set forth shall be fixed by regulations prescribed by the Work Administrator.

(e) The disqualification provided in section 409 (d) (iv) of this act shall not apply if the agency administering benefits finds that—

(i) the employee is not directly interested in the labor dispute which causes the stoppage of work; and

(ii) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed in the establishment, premises, or enterprise at which the stoppage occurs, any of whom are directly interested in the labor dispute: *Provided*, That if separate types of work are commonly conducted in separate departments of a single enterprise, each such department shall, for the purposes of this subsection, be deemed to be a separate establishment, enterprise, or other premises.

(f) No work shall be deemed suitable for the purposes of this section, and benefits shall not be denied under this act to any otherwise qualified employee leaving work voluntarily or for refusing to accept work if—

(1) the position offered is vacant due directly to a strike, lock-out, or other labor dispute;

(2) the remuneration, hours, or other conditions of work offered are substantially less favorable than those prevailing for similar work in the locality, or the rate of remuneration is less than the union wage rate, if any, for similar work in the locality;

(3) as a condition of being employed he would be required to join a company union or to resign from or refrain from joining any bona fide labor organization;

(4) acceptance of the work would require him to engage in activities in violation of law or which, by reason of their being in violation of reasonable requirements of the constitution, bylaws, or similar regulations of a bona fide labor organization of which he is a member, would subject him to expulsion from such labor organization; or

(5) acceptance of the work would subject him to loss of substantial seniority rights under any collective-bargaining agreement between a bona fide labor organization and any other employer.

(g) In determining whether an employee has good cause for a voluntary separation from suitable work or a failure to apply for or accept an offer of suitable work, the agency administering benefits shall consider, in addition to such other factors as he deems relevant, (1) the current practice, recognized by management and labor with respect to such work; (2) the degree of risk involved to such employee's health, safety, and morals; (3) his physical fitness and prior training; (4) his experience and prior earnings; (5) his length of unemployment and prospects for securing work in his customary occupation; and (6) the distance of the available work from his residence and from his most recent work.

(h) Any officer or agency of an employer, or any employee representative, or any employee acting in his own behalf, or any person whether or not of the character herein-

before defined, who shall willfully fail or refuse to make any report or furnish any information required by the Work Administrator or the agency administering benefits, as the case may be, in the administration of this title, or who shall knowingly make or aid in making or cause to be made any false or fraudulent statement or report when a statement or report is required to be made for the purposes of this title, or who shall knowingly make or aid in making or cause to be made any false or fraudulent statement or claim for the purpose of causing benefits or other payment to be made or not to be made under this title, shall be punished by a fine of not more than \$10,000 or by imprisonment not exceeding 1 year, or both.

(i) Any person who violates any provision of this title, the punishment for which is not otherwise provided, shall be punished for each such violation by a fine of not more than \$1,000 or by imprisonment not exceeding 1 year, or both.

Sec. 310. (a) A person shall be a "qualified employee" if the Work Administrator or the agency administering benefits, as the case may be, finds (i) that he served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and had been discharged or released from active service under conditions other than dishonorable or (ii) that since the beginning of the calendar year next preceding the calendar year in which he first applies for "interim placement benefits" and before making such application he received wages of not less than \$150.

(b) Within 10 days after the appointment of a Work Administrator pursuant to this act, such Administrator shall afford to each State an opportunity to participate in the administration of the "interim placement benefits" provided by this title. A State shall be permitted to participate upon agreement, pursuant to the authorization contained in the unemployment compensation law of such State to enter into a reciprocal agreement with an appropriate agency of the Federal Government, (i) to receive all claims for "interim placement benefits"; (ii) to adjudicate such claims in accordance with regulations prescribed by the Work Administrator, or forward such claims to another State or Federal agency as may be appropriate; (iii) to pay, subject to partial reimbursement from the Federal Government as hereinafter set forth from funds withdrawn from the State account in the Unemployment Trust Fund, any claim for "interim placement benefits" found payable in accordance with the regulations prescribed by the Work Administrator; and (iv) to find fair and reasonable, and not resulting in substantial loss to the unemployment compensation account of such State, the reimbursement arrangement hereinafter provided for. The Work Administrator shall, whenever a State does not elect to pay "interim placement benefits", or may, wherever he deems it necessary, arrange for the filing of claims for "interim placement benefits" with the Retraining and Reemployment Administration.

The Railroad Retirement Board and the Unemployment Compensation Board of the District of Columbia shall participate in the administration of "interim placement benefits." Such boards shall receive applications for "interim placement benefits", shall adjudicate such applications in accordance with regulations prescribed by the Work Administrator, or shall forward such applications to a State or Territorial unemployment compensation agency as may be appropriate and shall certify to the Secretary of the Treasury for payment, from the appropriate account in the Unemployment Trust Fund, any part of a claim found payable in accordance with regulations prescribed by the Work Administrator.

(c) Claims for benefits and appeals from determinations with respect thereto shall be made in accordance with such regulations as the Work Administrator shall prescribe. The Work Administrator is authorized and directed to make findings of fact with respect to any claim for benefits and to make decisions as to the right of any claimant to benefits. The Work Administrator is further authorized to hold such hearings, to conduct such investigations and other proceedings, and to establish by regulations and otherwise such procedures as he may deem necessary or proper for the determination of a right to benefits.

Each person whose claim for benefits has been denied, in whole or in part, upon an initial determination whether by the Retraining and Reemployment Administration, by a State, by the Railroad Retirement Board, or by another Federal agency participating in the administration of "interim placement benefits" by arrangement with the Work Administrator, shall be granted an opportunity for a fair hearing thereon before such appellate tribunal as the Work Administrator may by regulation establish. In the case of any hearing, the appellate tribunal established by the Work Administrator shall notify all parties properly interested of their rights to participate in the proceedings and, if a hearing is to be held, the time and place of the hearing, at the request of any party properly interested, the tribunal shall provide for a hearing and may provide for hearing on its own motion.

The Work Administrator may, on his own motion, review a decision of an appeals tribunal on the basis of the evidence previously submitted in such case and may direct the taking of additional evidence, or he may agree to hear the appeal of such parties as he may find properly interested in the proceedings. Unless a review or an appeal is had pursuant to this subsection, the decision of the appellate tribunal shall, subject to such regulations as the Work Administrator may prescribe, be deemed to be his final decision.

If the decision of an appellate tribunal or of the Work Administrator reverses an initial decision denying a claim for "interim placement benefits," such claim shall thereupon be certified by the Work Administrator to the Secretary of the Treasury for payment. If the initial decision was made by a State agency or the Railroad Retirement Board, the amount of such payments shall be taken into account in determining the amounts of reimbursement to be paid to any State agency or to the Railroad Unemployment Insurance Account pursuant to subsection (d) of this section.

Final decision of the Work Administrator of the decision of any appellate tribunal shall be communicated to the claimant and to other interested parties within 15 days after it is made. Any claimant and any labor organization, of which such claimant is a member, duly authorized to represent employees in accordance with the National Labor Relations Act or the Railroad Labor Act may, after all administrative remedies made available by the Work Administrator have been availed of and exhausted, obtain a review of any final decision of the Work Administrator by filing a petition for review within 90 days after the mailing of notice of such decision to the claimant, or within such further time as the Work Administrator may allow, in the United States district court for the judicial district in which the claimant resides or in the United States District Court for the District of Columbia. A copy of such petition, together with the initial process, shall forthwith be served upon the Work Administrator or any officer designated by him for such purpose. Service may be made upon the Work Administrator by registered mail, addressed to him. Within 15 days after receipt of service or within such additional time as the court may allow, the Work Ad-

ministrator shall certify and file with the court in which such petition has been filed, a transcript of the record upon which the findings and decision complained of are based. Upon such filing the court shall have exclusive jurisdiction of the proceeding and of the question determined therein. It shall have power to enter upon the pleadings and transcript of the record a decree affirming, modifying, or reversing the decision of the Work Administrator with or without remanding the case for rehearing. The findings of the Work Administrator as to the facts, if supported by evidence and in the absence of fraud, shall be conclusive. No additional evidence shall be received by the court, but the court may order additional evidence to be taken before the Work Administrator, and the Work Administrator may, after hearing such additional evidence, modify his findings of fact and conclusions and file such additional or modified findings and conclusions with the court, and the Work Administrator shall file with the court a transcript of the additional record. The judgment and decree of the court shall be final, subject to review as in equity cases.

An applicant for review of a final decision of the Work Administrator concerning a claim for benefits shall not be liable for costs, including costs of service, or costs of printing records, except that costs may be assessed by the court against such applicant if the court determines that the proceedings for such review have been instituted or continued without reasonable ground.

(d) Each participating State agency shall arrange for the payment from funds withdrawn for such purpose from the unemployment trust fund, of claims for "interim placement benefits" granted in whole or in part, in accordance with the regulations prescribed by the Work Administrator. Each participating State agency, in consultation with the Work Administrator, shall determine what amounts would have been payable under the unemployment compensation law of the State had the claims for "interim placement benefits" been claims made under such State law. The Work Administrator shall from time to time satisfy himself as to the correctness of such determinations. The Work Administrator shall, on each February 1, May 1, August 1, and November 1 certify to the Secretary of the Treasury, for payment into the appropriate State account in the unemployment trust funds, the amount by which the payments of "interim placement benefits" made on certifications of the State agency in the preceding calendar quarter exceeded the payments which would have been made under the unemployment compensation law of the State, if the claims for "interim placement benefits" had been claims for benefits under such State law.

The Railroad Retirement Board shall certify to the Secretary of the Treasury, for payment, such claims for "interim placement benefits" as it finds properly payable hereunder. Such payments shall be made from the Railroad Unemployment Insurance Account. The Railroad Retirement Board shall determine, in consultation with the Work Administrator, what amounts would have been payable under the Railroad Unemployment Insurance Act, if claims for "interim placement benefits" had been filed under such act. The Work Administrator shall, on each February 1, May 1, August 1, and November 1, certify to the Secretary of the Treasury, for payment into the Railroad Unemployment Insurance Account, the amount by which the payments of "interim placement benefits" made on certifications of the Railroad Retirement Board in the preceding calendar quarter exceeded the payments which would have been made from the Railroad Unemployment Insurance Account had claims for "interim placement benefits" been claims for benefits under the Railroad Unemployment Insurance Act.

The Work Administrator shall certify to the Secretary of the Treasury, for payment, such claims for "interim placement benefits" as he finds properly payable hereunder and which are filed directly with the Retraining and Reemployment Administration.

(e) The Work Administrator shall, from time to time, certify to the Secretary of the Treasury, for payment, to a State or Territorial unemployment compensation agency, to the District of Columbia Unemployment Compensation Board, or to the credit of the Railroad Unemployment Insurance Administration fund, such amounts as he determines—

(i) equal to the administrative expenses reasonably incurred by such agency, or the District of Columbia Unemployment Compensation Board, or the Railroad Retirement Board in excess of the expenses which would have been incurred by such agency or Board for the administration of unemployment compensation benefits had this title not been enacted; and

(ii) have not been included in the basis of any previous certification under this paragraph.

The Social Security Board shall continue to make certification to the Secretary of the Treasury under section 302 (a) of the Social Security Act on the basis of determinations by it as to what amounts would be necessary and proper for the efficient administration of each State unemployment compensation law had this title not been enacted.

Subsection (c) of section 303 of the Social Security Act as amended is hereby amended by adding a paragraph to read as follows:

"(3) Until the expiration of title IV of the War Mobilization Adjustment Act of 1944 that such State has failed to permit the Administrator of the Retraining and Reemployment Administration to determine, in accordance with subsection (d) of section 410 of the War Mobilization Adjustment Act of 1944, the amount by which 'interim placement benefits' exceed benefits which would have been payable under such State law if claims for 'interim placement benefits' had been claims for benefits under such State law."

SEC. 311. The Work Administrator is authorized to delegate (i) to any officer or employee of the Retraining and Reemployment Administration, (ii) to any State unemployment compensation agency, (iii) to the Railroad Retirement Board, or (iv) to any member or officer of any such agency or such Board any of the powers and duties herein described, excluding only the power to prescribe regulations. Such delegation may be revoked or modified whenever the Work Administrator deems it advisable.

SEC. 312. The Work Administrator shall have and shall exercise all the powers necessary for the effective administration of this title. He may employ such persons and provide for their remuneration and expenses as may be necessary for the proper administration of this title. Such persons shall be employed and their remuneration prescribed according to the civil-service laws and the Classification Act of 1923, as amended. Notwithstanding any other provision of law or regulation, the Social Security Board and the Railroad Retirement Board may disclose its records of compensation to any agency or person authorized by the Work Administrator to adjudicate claims for "interim placement benefits." The Work Administrator shall have power to compel an employer to report the amount of any wage or any other information needed to adjudicate a claim for "interim placement benefits."

SEC. 313. (a) The Secretary of Labor shall make a full study and investigation as to—

(1) the extent to which the adoption of annual wage systems would contribute to full employment and rising standards of living;

(2) the factors in favor of and against the adoption of various types of annual wage systems in various industries;

(3) present and past use of annual wage systems by particular industries or individual employers;

(4) other wage systems which might contribute to full employment and rising standards of living; and

(5) possible means to be used by the Government through tax advantages or otherwise in promoting adoption of annual wage systems or other wage systems designed to bring about full employment and rising standards of living.

(b) The Secretary of Labor shall submit to the President, the Senate, and the House of Representatives, within 6 months after the enactment of this act, and at such later dates as the Secretary may deem desirable, reports on the results of the studies called for in this section.

The second amendment proposed by the Senator from Montana is to renumber the sections of the pending bill to sections 401 to 404, inclusive.

The third amendment is to insert after line 4, on page 9, the following:

TITLE IV—HOUSING AND PUBLIC WORKS

SEC. 401. The Administrator of the National Housing Agency is authorized and directed to survey and analyze national housing needs in the period of transition from war to peace and thereafter, and to develop for submission to the President and the Congress a comprehensive program for meeting such needs through private housing and through research, technical assistance, and financial aid with respect to private housing and with respect to local housing undertaken by communities and integrated with plans for community or urban redevelopment.

SEC. 402. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 percent in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 percent according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 percent of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all local or regional plan approved by competent local or regional authority.

(c) Loans or advances under this section to any public agency shall be made only upon condition that such agency agree that if the construction of the public works so planned is undertaken, such agency will repay to the Federal Works Administrator the amounts of such loans or advances. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) As used in this section, the term "State" shall include Alaska, Hawaii, Puerto Rico, and the District of Columbia.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. When used in this act—

(a) The term "Government agency" means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

(b) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

(c) The term "State" (except when used in title IV) shall include the several States, the District of Columbia, and the Territories of Hawaii and Alaska.

(d) Subject to the provisions of section 409 (c) and section 409 (a) a "day of unemployment" with respect to an employee means a calendar day on which he is able to work and is available for work and with respect to which (i) no remuneration in excess of 50 cents is payable or accrues to him and (ii) he has in accordance with such regulations as the Work Administrator may prescribe, registered at a public employment office: *Provided*, That remuneration for a working day which includes 2 consecutive calendar days shall be deemed to have been earned on the second of such days: *And provided further*, That an employee shall not be deemed unable to or unavailable for work by reason of illness or disability occurring after application for interim placements benefits.

(e) A "week of unemployment" with respect to an employee shall mean any period of 7 consecutive calendar days, each of which was a day of unemployment: *Provided*, That any 7 consecutive calendar days which but for the amount of remuneration which accrues or is payable to him would be a "week of unemployment" shall be a week of unemployment if the amount of such remuneration does not exceed \$3.

(f) A "part week of unemployment" is any period of 7 consecutive calendar days in which there are 3 or more days of unemployment.

(g) The term "benefit year" means the 12-month period beginning on July 1 of any year and ending on June 30 of the next year, except that a week of unemployment or a week of part unemployment beginning in June and ending in July shall be deemed to be in the benefit year ending in such month of June.

(h) The term "dependent" means—

(A) an unmarried child (including a stepchild or adopted child), of such individual, who has not attained his eighteenth birthday and who either is living in the same household with the individual or is dependent upon such individual for more than half his support;

(B) the wife of such individual if such wife either is living in the same household with such individual or regularly receives support from him, other than a wife who is regularly engaged in rendering services for remuneration or in any occupation for profit if the remuneration for such services or from such occupation is substantial;

(C) a parent of an unmarried individual if such parent is incapable of self-support and either is living in the same household with such individual or is dependent upon such individual for more than half his support.

In determining whether an individual has dependents, and in determining the number of such dependents, the Work Administrator

may find an individual's unmarried child who has not attained his eighteenth birthday to be the dependent of such individual if the individual certifies, in such form as the Work Administrator prescribes, that such child is closely related to him by blood, marriage, or adoption, is unmarried, has not attained his eighteenth birthday, and either is living in the same household with him or is dependent upon such individual for more than half his support. The Work Administrator may find the wife of an individual to be his dependent if she certifies, in such form as the Work Administrator prescribes, that she is his wife, either that she is living in the same household with him or that he regularly contributes to her support, and that she is not regularly engaged in rendering services for remuneration and not engaged in any occupation for profit. The Work Administrator may find the parent of an unmarried individual to be the dependent of such individual, if such parent certifies that he is a parent of such individual, is not capable of self-support, and either that he is living in the same household with such individual or dependent upon such individual for more than half his support.

(i) The term "wages" means (i) compensation as defined in section 1 (i) of the Railroad Unemployment Insurance Act and (ii) all remuneration for employment including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include—

(1) that part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual with respect to employment during any calendar year, is paid to such individual with respect to employment during such calendar year;

(2) the amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical and hospitalization expenses in connection with sickness or accident disability, or (D) death, provided the employee (i) has not the option to receive, instead of provision for such death benefit, any part of such payment or, if such death benefit is insured, any part of the premiums (or contributions to premiums) paid by his employer, and (ii) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(3) the payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400 of the Internal Revenue Code or (B) of any payment required from an employee under a State unemployment compensation law;

(4) dismissal payments which the employer is not legally required to make.

(j) The term "employment" means any service performed after December 31, 1940, by an employee for the person employing him, irrespective of the citizenship or residence of either, (A) within the United States, or (B) on or in connection with an American vessel under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, if the employee is employed on and in connection with such vessel when outside the United States, except—

(1) service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(2) service performed in the employ of an instrumentality wholly owned by a foreign government—

(A) if the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

(B) if the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof.

(3) domestic service in a private home, local college club, or local chapter of a college fraternity or sorority;

(4) service performed by an individual in the employ of his son, daughter or spouse, or service performed by a child under the age of 21 in the employ of his father or mother;

(k) The term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

(l) "Public employment office" shall include an office of the United States Employment Service, a free employment office maintained and operated by the Railroad Retirement Board, or a facility maintained by an employer under the Railroad Unemployment Insurance Act designated as a free employment office by the Railroad Retirement Board, and any employment facility maintained by a labor organization or by an employer and engaged in placing workers which is designated as a "public employment office" by the Work Administrator.

(m) "Weekly wages" means the amount determined by dividing by 13 the wages in that calendar quarter of the 3 years preceding application for benefits in which such wages were highest: *Provided, however*, That in the case of any individual whose exact wages are not available or the record of whose wages was not maintained by quarters, the wages for any quarter shall be determined on a basis deemed by the Work Administrator to be fair and equitable.

SEC. 502. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this act.

SEC. 503. The provisions of this act shall become effective immediately unless otherwise provided in the act, and unless otherwise provided shall be terminated at the end of 24 months after the termination of the war.

SEC. 504. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

SEC. 505. When the Director first appointed under section 102 has taken office, the Office of War Mobilization established by Executive Order Numbered 9347, dated May 27, 1943, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine shall be transferred to the Office of Mobilization and Adjustment.

SEC. 506. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless and until superseded by the Director in accordance with this act, or by operation of law.

SEC. 507. This act may be cited as the "War Mobilization and Adjustment Act of 1944."

Mr. WAGNER. Mr. President, I am for the amendment proposed by the Committee on Military Affairs. I wish to state my reasons for favoring particularly the subject of unemployment insurance, in which I have been interested for a number of years.

Legislative action to deal with reconversion problems is an immediate necessity. Millions of our people working in war plants are uncertain as to their future. Many are leaving their war jobs because of their doubts as to what the future may bring. It is only human for them to think about what is going to happen to themselves and their families after their present war jobs stop. For instance, thousands of war workers in Government arsenals and navy yards know that when their present job is over they will have no unemployment-insurance protection such as 30,000,000 other workers now have.

Congress must take immediate steps to establish fundamental policies and programs for the reconversion period. The passage of such legislation will do much to reassure both business and labor that we have done our part to enable them to meet the tasks which lie ahead. Such assurance will enable workers and the economy as a whole to make the final sprint in the race for victory free from anxiety and fear.

The pending amendment is a long step forward toward meeting our problems. It does not solve all our problems. Undoubtedly Congress will have to pass additional legislation to meet other reconversion problems which undoubtedly will arise.

It is imperative that we agree on the essentials and pass a bill including these essentials.

A provision which must be included in any sound reconversion legislation is one relating to unemployment insurance. Our present State unemployment-insurance laws are completely inadequate to deal with the reconversion period. The benefit amounts under State laws are too small, the duration of benefits under State laws are too short, the maximum benefits under State laws are too low, and the coverage of the State laws are too limited. In addition, the State laws have harsh and restrictive disqualification provisions which have resulted in denying unemployment benefits to many persons.

At the present time most State laws pay a maximum of \$15 or \$16 a week. These provisions in the State laws were adopted when the cost of living was much lower than it is now and when wages averaged \$25 to \$30 a week. It is only fair and reasonable, in view of the present cost of living and present wages, that the maximum benefit amounts should now be raised.

The State laws also provide that unemployment benefits can be paid for only 16 weeks, in most cases. Most workers are eligible to receive payments for much less than 16 weeks, in most States. Under existing laws most workers will completely exhaust their State benefits before getting other jobs.

Unemployment insurance can make a great contribution to easing "reconversion jitters" by paying decent benefits until a worker is reemployed. But the 10 to 15 weeks provided under most existing laws may not be long enough to meet this special situation. It may take some industries or some particular plants longer to reconvert. We should provide benefits sufficient to carry individual workers through their entire period of reconversion unemployment.

Existing State laws do not cover some 3,000,000 employees in small firms, nor are the 3,000,000 Federal employees, many of whom work in arsenals and navy yards, covered under existing unemployment compensation laws. Some 150,000 men in our merchant marine do not have unemployment protection. Thousands of other persons in nonprofit institutions and other employments are not now protected.

With respect to several of these groups, particularly Federal employees and seaman, only Federal legislation can remedy the situation. The amendment takes care of this matter.

These criticisms of existing State laws are shared by many persons who have made an unbiased study of the problem. In a joint statement on social security issued by the National Planning Association, and signed by representatives of agriculture, business, and labor, 17 representatives of business joined in the statement which included the following criticism of the existing State laws:

The unemployment insurance system should also be amended so as to raise the level of benefits and to provide benefits for dependents; and to protect workers who work in more than one State during their eligibility period from impairment of benefit rights.

Unemployment insurance is capable of making a major contribution to the stability of the economy during the inevitable displacements that will accompany the conversion of industry to peace, but to do this certain amendments are necessary. Twenty-five of the laws at present permit the payment of benefits for 16 weeks at most, and in 17 others benefits for a longer period can be claimed only by workers with an especially good record of past employment. In 1941, a year of good employment, almost 50 percent of all workers exhausted their benefits before securing other employment. In the period of post-war readjustment, this percentage will be much higher. There are still 9 States in which the minimum benefit is below \$5 a week; in one of these it is only \$2. Provision of benefits to dependents is especially necessary in view of the interest of the Nation in ensuring that the citizens of the future shall be healthy and well-nourished.

Among the businessmen who signed the above statement were men representing the General Electric Co., Johns-Manville, the Bankers Trust Co. of New York, Swift & Co., and the Aluminum Co. of America. The men representing these companies are not radicals. They know that adequate and liberal unemployment

insurance benefits are necessary to assure business a good market. They boldly state that "the level of benefits is inadequate both in amount and duration," and that "it is necessary to make some special provision to supplement at Federal expense the existing system of unemployment insurance during the process of reconversion."

In his testimony before the Military Affairs Committee, James F. Byrnes, Director of the Office of War Mobilization; recently stated that—

Existing State unemployment insurance laws were framed to meet local conditions of temporary unemployment and are not adequate to deal with the Nation-wide problem of reemployment. * * * Demobilization must be regarded as a national problem and its cost as part of the costs of the war. * * * State unemployment insurance plans should be supplemented by Federal support to the extent necessary to give practically all workers during the transition from war to peace suitable unemployment benefits.

Those of us who have been here in the Senate a long time know that Mr. Byrnes, while he was a Member of the Senate, made a long and careful study of unemployment insurance beginning with a special investigation and report on the subject in 1939. His conclusions, therefore, are especially worthy of consideration.

In addition to Mr. Justice Byrnes, General Hines, who is the Retraining and Reemployment Administrator, recommended to the Military Affairs Committee that Federal legislation be enacted in order to provide more adequate unemployment insurance benefits to unemployed war workers.

In addition, Mr. Altmeyer, Chairman of the Social Security Board, and Mr. Latimer, Chairman of the Railroad Retirement Board, both made similar reports to the committee as to the inadequacy of the State laws and the need for Federal legislation.

Finally, the Congress itself has recognized that the State laws are inadequate. In considering the unemployment insurance provisions for servicemen in the G. I. Bill of Rights, the Congress refused to accept the amount or duration of State unemployment insurance benefits for servicemen. National Commander Atherton, testifying on the subject for the American Legion, opposed using the State benefits for servicemen. While the States were given the option to administer the unemployment benefits to servicemen, the Congress rejected the State benefits as being inadequate. This action was taken by the Finance Committee in the G. I. bill. But the Finance Committee did not follow the same policy when it reported out the bill now before us.

We cannot wait for State action to deal with the inadequacies in unemployment insurance benefits. State legislatures do not meet until next year. It will require several weeks or months for the various States to consider necessary legislation. Thus, it would be mid-1945 before the States would be ready adequately to handle the problem.

Moreover, not one single concrete bit of evidence has yet come to light that the

States plan to liberalize their unemployment-insurance laws. We cannot postpone consideration of this important problem on the remote possibility that the State legislatures may do something to improve their laws.

The unemployment problem may be of tremendous magnitude during the reconversion period. We must be prepared to deal generously with those who do become unemployed. Only in this way can we prevent insecurity and fear of the future from undermining our national confidence.

The bill reported by the Finance Committee does absolutely nothing about the inadequate benefits now provided under State laws. It merely provides for making loans to States whose unemployment-insurance funds start running low, but it does not give an unemployed worker one single cent more in benefits. The loan provision in the bill is meaningless. Every State now has sufficient money in its unemployment-insurance reserve to pay not only the benefits provided under its existing law but even to pay more adequate benefits. There are about \$5,500,000,000 in the reserves of the various States. The problem is not that the States need more money. The problem is that they do not want to spend their money. Loans will not encourage them to be more generous. The loan provision might be necessary eventually if the States were required to pay more adequate benefits. But the Finance Committee's bill does not require the States to liberalize their laws in any way whatsoever.

The only other provision in the Finance Committee bill is to provide unemployment insurance for Federal employees under State laws. It puts the Federal employees under 51 different varieties of State provisions with not a single protection against the harsh and discriminatory provisions in existing State laws. It does not provide a single standard for the protection of Federal employees or the Federal Government. It provides for turning over millions of dollars from the Federal Treasury to the States without any safeguards.

So far as I am aware, this is the first time it has been suggested that a vital matter affecting all Federal employees involving millions of dollars to the Federal Government should be turned over to the States lock, stock, and barrel. In its present form the provision seems to me to be unsound and to constitute an undesirable precedent.

In order to remedy the defects of the Finance Committee bill it is not necessary to federalize the State systems. The bill reported by the Military Affairs Committee does not federalize the State systems.

For many years I have been in favor of establishing a Federal unemployment-insurance system which would simplify the existing patchwork of State laws and provide more adequate protection to the unemployed. The Senator from Montana [Mr. MURRAY] and I have a bill—Senate bill 1161—pending before the Finance Committee to do that very thing. The Finance Committee, however, has never held hearings on the bill

and we know that full hearings are essential before any such action could be taken.

We are not asking that the Senate vote at this time on the question of establishing a Federal unemployment-insurance program. The bill reported by the Military Affairs Committee does not federalize unemployment insurance. It merely provides for a temporary system by which the State laws will be improved to meet the reconversion period and the immediate post-war unemployment problem. The whole law becomes inoperative 2 years after the termination of hostilities. Before that time the Congress would be able to examine the entire unemployment-insurance problem and take such action as it then thinks best.

The Military Affairs Committee bill permits each State to continue to administer unemployment insurance benefits. There is a provision in the bill that if a State does not wish to pay the more adequate Federal benefits the Federal Government may do so. But there is no reason why each and every State should not cooperate and elect to pay the benefits under State administration. This is exactly what the Congress provided in the unemployment insurance features of the G. I. bill of rights. Every State will cooperate with the Federal Government and pay the unemployment insurance benefits provided for ex-servicemen. There is no reason why they should not do so with respect to civilians.

The statement has been frequently made that the Congress should do nothing to make unemployment insurance benefits more adequate because this would be an invasion of States' rights and because the States are opposed to any such legislation. This argument seems to me to be based on unsound premises.

In the first place, it was the Federal Congress which made it possible for the States to pass unemployment insurance laws. It is the Federal unemployment tax which now supports the State systems. The \$5,500,000,000 built up by the States has only been possible because of Federal legislation.

I submit that if in 1935 the Congress felt it sufficiently important to pass Federal legislation to see to it that every State had an unemployment insurance law, it is important and proper to pass Federal legislation now to see to it that unemployment insurance is adequate to meet the problems of 1945.

The surest way of which I know for complete federalization of the State unemployment insurance laws to occur would be to let the State systems go on as at present. The real friends of States' rights are those who see that the State systems must be made adequate to deal with the unemployment problem. Let us not be blinded by the lobby of the State representatives who come here and tell us to do nothing whatsoever that may affect them. These State bureaucrats forget that it is the greatest good for the greatest number that we seek—not the preservation of their jobs, their prestige, or their political power.

When Congress passed the G. I. bill we relieved the State unemployment insur-

ance funds of millions and millions of dollars of payments for which they had already assumed liability under their State laws. No State representatives came here and objected that this action was an interference with States' rights.

I hope the Senate will keep in mind, however, that not all States share in the view that the Congress should do nothing.

The testimony before the Post-war Planning Committee shows that the State of California, for instance, has indicated that Federal legislation is necessary. Let me read from a letter signed by the chairman of the California Unemployment Insurance Agency which I understand has the approval of the Governor of California:

The fact that unemployment is a risk affecting all workers at all times, and that the need for an adequate system of unemployment insurance legislation will be great even after the initial period of industrial reconversion has passed, leads the California agency to suggest that you give consideration to a program which would amend the Social Security Act and the Federal Unemployment Tax Act:

1. To extend coverage so as to include civilian Government war workers and ultimately all workers now excluded.
2. To provide minimum benefit standards with respect to the weekly benefit amount and its manner of computation, minimum duration of benefits, minimum qualifying wage, other conditions of eligibility, and maximum disqualification periods.
3. To provide with adequate safeguards for a system of reinsurance to strengthen the solvency of the various State funds.

In addition, the director of the Utah Unemployment Insurance Department testified before the Post-war Planning Committee that he was not opposed to the Congress establishing benefit standards in addition to the standards in the existing law.

Let me also read from a statement made by the South Carolina Unemployment Compensation Commission in their monthly magazine for April. This statement should be interesting to the Senators representing South Carolina. It is as follows:

Workers everywhere will be interested to learn that all States are thinking in the terms of uniform coverage, as is in the case of old-age benefits. Some propose one "take-out" of a worker's envelope which would include withholding tax, old-age benefits, and unemployment contributions. Such a procedure would simplify the work of the employer and make less painful the extraction from the employee's envelope.

We feel that a man who works for an employer with seven employees deserves benefits to the same degree as a man who works for an employer with eight employees.

We also feel that coverage should be uniform, that there should be a minimum weekly benefit amount in all the States, but that the maximum benefit amount should be variable in accordance with the ability of the States to pay.

Such uniformity would not interfere with State administration of unemployment compensation activities, but, on the other hand, would simplify administration, as well as lessen the work of all concerns operating in more than one State.

Uniformity of coverage, minimum benefits, and uniform eligibility requirements would result in no more federalization of unem-

ployment compensation than the uniformity of weights and measures.

Human needs vary very little, if any,—from State to State.

Finally I want to quote from a report made by the New York Joint Legislative Committee on Industrial and Labor Conditions. This report was made in 1943 after a field survey of 11 States. The report of the committee concluded that—

The benefit provisions of the State laws cannot be said to be adequate to meet fully the needs that will arise if unemployment succeeds the cessation of hostilities. * * * It does not seem possible that in the remaining time (before the war ends) most State unemployment compensation laws will be sufficiently extended and improved to intensify sufficiently the degree of protection against widespread unemployment. The search for a solution to the problem must, therefore, proceed in other directions.

Let us consider the pending bills on their merits. Unemployment will be a problem in the reconversion period. If we stick our heads in the sand like ostriches and say that the States will take care of the problem we are evading our responsibility. We must work out here and now a practical program for the immediate future. That is why I so strongly hope the Senate will consider and adopt the Murray-Kilgore amendments to the pending bill. They constitute a vital and urgent step in the right direction.

Mr. KILGORE obtained the floor.

Mr. BARKLEY. Madam President, I think it might be well to have a quorum before the Senator from West Virginia proceeds.

Mr. KILGORE. Very well.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hayden	Robertson
Andrews	Hill	Russell
Barkley	Jackson	Scrugham
Burton	Johnson, Calif.	Stewart
Butler	Johnson, Colo.	Taft
Byrd	Kilgore	Thomas, Utah
Capper	McClellan	Tobey
Caraway	McKellar	Truman
Chavez	Maloney	Tunnell
Connally	Maybank	Tydings
Davis	Millikin	Vandenberg
Downey	Moore	Wagner
Eastland	Murray	Wallgren
Ferguson	O'Daniel	Walsh, Mass.
George	O'Mahoney	Walsh, N. J.
Gillette	Cvorton	Weeks
Green	Pepper	Wherry
Guffey	Radcliffe	White
Gurney	Revercomb	Willis
Hatch	Reynolds	Wilson

The PRESIDING OFFICER. Sixty Senators having answered to their names, a quorum is present.

Mr. KILGORE. Madam President, while we are here deliberating, our armies—in joint assault with our allies—are battering down the last defenses of our foe. The end of the war in Europe is in sight, but the climax of the effort of the United States and our sacrifice is still before us.

The amendment offered by the Senator from Montana [Mr. MURRAY] will strengthen us in these final blows. With the defeat of Germany the problems of

peace will become a part and parcel of those of war. The legislation we now enact will affect the lives of the millions of our sons and brothers who are now shedding their blood in the fight for freedom and security.

By this legislation we are determining the kind of homes to which our boys will return. It lies within our power to build the structure large enough to house all of them, or to build it so poorly that hundreds of thousands will find no homes, and will be forced to sell apples and stand in bread lines.

Let me say, Madam President, that I still remember the period following the last war when the men of the company to which I belonged, who had been discharged, and who did not stay in the service as I did, slept on copies of the Detroit Free Press in the park immediately facing the Free Press Building in the city of Detroit, and sold apples, and begged for soup and bread on the street corners. It lies within our power to make the structure large enough to house all who may be in need of shelter. If we listen to and rest content with the time-worn logans with which, shall I say, we have become inoculated, and shun the means to achieve the objective we have in mind, we will build too small a structure.

The institutions we are now fighting to protect cannot endure if we condemn fifteen or twenty million or our citizens to insecurity and want, if we subject our industry to the loss of the purchasing power of those people in the necessities of life, and cause them, instead, to live on the surplus products purchased by the United States Government, and issued to them by a surplus commodities division, as was done in 1932 and 1933.

The eyes of the nations of the world watch what we do here. I say that because the United States of America is the only industrial nation of the world that is now intact and has not been at least partially destroyed by enemy attacks and bombing. The heavy industry of the world has been destroyed with the exception of that of the United States. The electronics industry of the world has been destroyed, except that within the continental limits of the United States. We are the only industrial nation left on the face of the globe which will maintain its industry intact and capable of conversion. It is up to us to see that the conversion is rational, that it is normal, and that it promotes not only our own welfare, but the welfare of the world at large.

Prosperity and full employment throughout the world are impossible if this, the most powerful of all the nations, fails to provide jobs and security for its own citizens. If I am asked why I say the most powerful of all the nations, I reply that I do so because the power of industry of the United States and of its workmen was the one thing Hitler failed to take into consideration in writing *Mein Kampf* and in planning the conquest of the world.

Neither peace nor our institutions of freedom can survive in a world wracked by unemployment and hunger, and particularly in a nation a large percentage

of whose population is on the breadlines and patronizing soup kitchens or selling apples on the street corners.

In our deliberations let us be conscious of the stakes involved. We cannot avoid responsibility by not acting. In this question we cannot be neutral. This is one time when we cannot let nature take its course, or adopt a *laissez faire* attitude. We must act as we acted when this war was declared. We must act positively to correct the conditions resulting from this war.

Let me say that a nation undergoing a war is like a patient suffering from typhoid fever. While the fever is raging we treat the patient as a sick person, but we do not quit treating him as a sick person merely because the fever subsides. The patient goes through a convalescent period during which he recovers his health and then can resume his normal activities.

The reconversion of this country from war to peace—I may say from total war to total peace—is the convalescent period, a period not contemplated in some respects by the humanitarian writers of the Constitution of the United States. No one at the time the Constitution was framed had taken into consideration Clausewitz' idea of total warfare, warfare upon civilians and warfare upon industry and warfare upon homes. At that time warfare was, shall I say, a rather gentlemanly operation in which armed forces opposed other armed forces. Now nations go to war totally, and the situation we face is that of converting our Nation from total war to total peace. It is not an immediate operation; it is a slow operation. Events have imposed upon the Congress of the United States the need for making a tremendous decision, and the need for making it speedily, and, I maintain, at this time, and not later.

Either we have the will to banish unemployment, insecurity, and fear, or by doing nothing to make them absolutely certain. The evidence of their certainty is present now when we see men drifting, as they are doing constantly, from higher paid jobs to lower paid jobs which hold out the certainty of a peacetime future—as General Somervell and others have said—drifting from war industry into peace industry to assure their futures.

We cannot delude ourselves with the thought that a little unemployment—a few thousand in this community, 50,000 in another community, and 100,000 in a third—will not wreck the Nation. Unemployment is a contagion which must be stamped out, for it spreads through the Nation from end to end. Depression and unemployment develop. They do not just spring up. They develop in arithmetical progression. From one group of unemployed we go to a much larger group of unemployed. Let no one say to himself that a little unemployment will help us back to normalcy. I have heard that argument too many times. On the streets of Washington and in the hotels I have heard the statement made that we need about 20,000,000 unemployed persons in the United States. There is no such thing as a little unemployment.

It required boldness of mind to plan for 100,000 airplanes a year, and for 20,000,000 tons of shipping a year. Where now are the scoffers who scoffed and laughed at that plan? They said we could not do it. We did it. Shall we let them scoff us out of the idea of continuing in peacetime employment what we are now doing, our peacetime production having been shut down for approximately 3 years, and our shelves being practically empty?

The little of mind are always with us. Let them follow us, but let us not permit them to lead us. It has been said that a little mind will lead a nation to destruction.

Planning for reconversion, however painstaking, cannot prevent some temporary unemployment. Plants in process of conversion cannot use the full employment which they used in times of full production, but an adequate plan of reconversion can give such plants the speediest reemployment of excess labor. During wartime carefully laid plans may be suddenly outflanked by an advance on the battlefield, as has been plainly evidenced. Provision must be made for the maintenance of workers displaced for the periods of time in which they are displaced; but such provision must insure a continuation of purchasing power in those workers, to save them from the fear of subsisting on charity.

Existing State systems for handling local temporary unemployment are entirely inadequate to cope with this problem. The payments range from as low as \$12 a week to as high as \$22 a week. A man from my State might be unemployed in the State of Connecticut, and if he should elect to stay there he might receive \$22 a week. If he should go back to my State he would receive only \$18 a week. If he should go to some other State he might receive as little as \$12 a week, making an absolutely out-of-balance, out-of-proportion system in the whole field of unemployment compensation.

The State systems are not designed to deal with a situation in which 20,000,000 war workers and 12,000,000 ex-servicemen must find new employment. Let no one think for a moment that the airplane plants of the United States will continue on the basis of 100,000 planes a year. They cannot do so. The skies are rather large, but the investors are smaller than the skies, and they cannot buy that many planes. We who have built up the greatest merchant marine the world has ever seen in a period of less than 3 years cannot hope to continue building ships. We have reduced the time of building ships from 6 months to 30 days. We cannot hope to continue at that rate. Those who are building those ships are our construction workers. They are from our large construction companies, and they must go back to construction work; but there will be an interval of time between the time the shipyards close and the time when construction is resumed. That period of time must be taken care of.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. AIKEN. Has the Senator any estimate of the number of workers in industrial war plants who are employed outside the States of their residences?

Mr. KILGORE. No; I have not. It is impossible to determine. Workers have been recruited from other States on a large scale. I should say that at least 80 percent of the States of the United States have been exploited with respect to workers. By that I mean that recruiting parties have come in from other States and have taken workers away. The only figures I have are from my own State. They show that approximately 12 percent of our entire population is working outside the State in which they formerly worked.

Mr. AIKEN. It is also true that the unemployment tax which has been paid upon their wages and salaries has been paid into the treasuries of the States where they were employed.

Mr. KILGORE. That is absolutely correct.

Mr. AIKEN. And not the States of their residences.

Mr. KILGORE. That is correct.

Mr. AIKEN. Under the present law a State like North Dakota, for example, which has lost 25 or 26 percent of its population, would be called upon to pay unemployment compensation to that portion of its population which might come back to North Dakota unemployed.

Mr. KILGORE. That is correct.

Mr. AIKEN. The payment would not have to be made by the State where the money was earned, and into the treasury of which a tax was paid, but would have to be paid by the State in which the industrial war workers have their residence, and perhaps maintain their families—the State which they call home.

Mr. KILGORE. Unless the other State could be prevailed upon to reimburse the State of their residence, that State would be out of luck.

Mr. AIKEN. Does the Senator think it would be easy for a poor State to prevail upon a wealthy State to return some of that money?

Mr. KILGORE. From my past experience, I question the possibility of such an arrangement.

Madam President, these systems were not set up in contemplation of a fully functioning economy with full employment and full production on a Nation-wide scale. When we originally set up the unemployment compensation system our workers in the main stayed within the States in which they were originally employed. It was a question of reemployment and unemployment compensation within the State boundaries, and each State had its own peculiar problems. There was no effort to recruit workers in the interest of a war, and to take those workers beyond the limits of their States. However, the Nation became involved in total war, and in effect we abolished State boundaries. We stir up a little competition in War bond sales by saying that one State sold more War bonds than another State; but, in the main, in the prosecution of total war we abolished State boundaries for the purpose of the war. The States do not declare war. The Congress of the

United States declares war. The States were not able, and did not have the machinery, to set up war production. Congress did that.

Back in the day of the War between the States that great President, Abraham Lincoln, undertook to handle the problem on the basis of States' rights. It will be remembered that he called upon the States for certain quotas of men, based upon their population. The disappointment was great, and eventually the first draft act of the United States was passed, and the war had to be put on a national basis. We could not depend upon the increments from the States pursuant to requests by the Federal Government to the States, as originally contemplated by Abraham Lincoln.

What do we mean by full employment? We are a nation of 135,000,000 people. During 1943 we achieved a national income of almost \$150,000,000,000. It is conservatively estimated that with the return to civilian employment of approximately 10,000,000 servicemen—and it must be remembered that between ten and eleven million potential workers participated to a very small extent in bringing about that \$150,000,000,000 of income—their contribution, over and above that of the new war workers, would raise the national income to \$170,000,000,000. This means that an average family of four persons would have to spend approximately \$5,000 to maintain our economy in full operation. Some may spend more, and certainly many will spend much less. We anticipate that. But the capacity, if not the appetite, of those who can afford to spend much more is limited. We therefore cannot afford to allow the income of the many to fall far too low. It must be kept within a reasonable range. If we expect to maintain an economy in which there will be buying power, if many families receive more than this, there will not be sufficient income to maintain the maximum average required to insure full production. This provision, together with the other provisions of the bill, would reduce unemployment, so the temporary differential would not affect our national program.

For more than 3 years we have been cut off from civilian production in respect to major items of family existence, such as automobiles, refrigerators, stoves, curling irons, toasters, radios, and various other things. The normal life of an automobile in the United States in the hands of the average family is 2 years. That is to say, the automobile is traded in about every 2 years. Some families trade them in every year. A few, like myself, are rather conservative, and trade in every 3 years. I should say that the average would be between 2 and 2½ years. Our pre-war production of automobiles was 4,000,000 a year. If we assume a production of 6,000,000 cars a year, the total in service having been approximately 8,000,000, in 2 years automobiles will begin to be traded in. Our production will be maintained if we have the buying power. All the houses in the United States will need painting and repairs. A tremendous amount of replacements will be necessary. It will be pos-

ployment compensation than the uniformity of weights and measures.

Human needs vary very little, if any, from State to State.

Finally I want to quote from a report made by the New York Joint Legislative Committee on Industrial and Labor Conditions. This report was made in 1943 after a field survey of 11 States. The report of the committee concluded that—

The benefit provisions of the State laws cannot be said to be adequate to meet fully the needs that will arise if unemployment succeeds the cessation of hostilities. * * * It does not seem possible that in the remaining time (before the war ends) most State unemployment compensation laws will be sufficiently extended and improved to intensify sufficiently the degree of protection against widespread unemployment. The search for a solution to the problem must, therefore, proceed in other directions.

Let us consider the pending bills on their merits. Unemployment will be a problem in the reconversion period. If we stick our heads in the sand like ostriches and say that the States will take care of the problem we are evading our responsibility. We must work out here and now a practical program for the immediate future. That is why I so strongly hope the Senate will consider and adopt the Murray-Kilgore amendments to the pending bill. They constitute a vital and urgent step in the right direction.

Mr. KILGORE obtained the floor.

Mr. BARKLEY. Madam President, I think it might be well to have a quorum before the Senator from West Virginia proceeds.

Mr. KILGORE. Very well.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hayden	Robertson
Andrews	Hill	Russell
Barkley	Jackson	Scrugham
Burton	Johnson, Calif.	Stewart
Butler	Johnson, Colo.	Taft
Byrd	Kilgore	Thomas, Utah
Capper	McClellan	Tobey
Caraway	McKellar	Truman
Chavez	Maloney	Tunnell
Connally	Maybank	Tydings
Davis	Millikin	Vandenberg
Downey	Moore	Wagner
Eastland	Murray	Wallgren
Ferguson	O'Daniel	Walsh, Mass.
George	O'Mahoney	Walsh, N. J.
Gillette	Cverton	Weeks
Green	Pepper	Wherry
Guffey	Radcliffe	White
Gurney	Revercomb	Willis
Hatch	Reynolds	Wilson

The PRESIDING OFFICER. Sixty Senators having answered to their names, a quorum is present.

Mr. KILGORE. Madam President, while we are here deliberating, our armies—in joint assault with our allies—are battering down the last defenses of our foe. The end of the war in Europe is in sight, but the climax of the effort of the United States and our sacrifice is still before us.

The amendment offered by the Senator from Montana [Mr. MURRAY] will strengthen us in these final blows. With the defeat of Germany the problems of

peace will become a part and parcel of those of war. The legislation we now enact will affect the lives of the millions of our sons and brothers who are now shedding their blood in the fight for freedom and security.

By this legislation we are determining the kind of homes to which our boys will return. It lies within our power to build the structure large enough to house all of them, or to build it so poorly that hundreds of thousands will find no homes, and will be forced to sell apples and stand in bread lines.

Let me say, Madam President, that I still remember the period following the last war when the men of the company to which I belonged, who had been discharged, and who did not stay in the service as I did, slept on copies of the Detroit Free Press in the park immediately facing the Free Press Building in the city of Detroit, and sold apples, and begged for soup and bread on the street corners. It lies within our power to make the structure large enough to house all who may be in need of shelter. If we listen to and rest content with the time-worn logans with which, shall I say, we have become inoculated, and shun the means to achieve the objective we have in mind, we will build too small a structure.

The institutions we are now fighting to protect cannot endure if we condemn fifteen or twenty million or our citizens to insecurity and want, if we subject our industry to the loss of the purchasing power of those people in the necessities of life, and cause them, instead, to live on the surplus products purchased by the United States Government, and issued to them by a surplus commodities division, as was done in 1932 and 1933.

The eyes of the nations of the world watch what we do here. I say that because the United States of America is the only industrial nation of the world that is now intact and has not been at least partially destroyed by enemy attacks and bombing. The heavy industry of the world has been destroyed with the exception of that of the United States. The electronics industry of the world has been destroyed, except that within the continental limits of the United States. We are the only industrial nation left on the face of the globe which will maintain its industry intact and capable of conversion. It is up to us to see that the conversion is rational, that it is normal, and that it promotes not only our own welfare, but the welfare of the world at large.

Prosperity and full employment throughout the world are impossible if this, the most powerful of all the nations, fails to provide jobs and security for its own citizens. If I am asked why I say the most powerful of all the nations, I reply that I do so because the power of industry of the United States and of its workmen was the one thing Hitler failed to take into consideration in writing *Mein Kampf* and in planning the conquest of the world.

Neither peace nor our institutions of freedom can survive in a world wracked by unemployment and hunger, and particularly in a nation a large percentage

of whose population is on the breadlines and patronizing soup kitchens or selling apples on the street corners.

In our deliberations let us be conscious of the stakes involved. We cannot avoid responsibility by not acting. In this question we cannot be neutral. This is one time when we cannot let nature take its course, or adopt a *laissez faire* attitude. We must act as we acted when this war was declared. We must act positively to correct the conditions resulting from this war.

Let me say that a nation undergoing a war is like a patient suffering from typhoid fever. While the fever is raging we treat the patient as a sick person, but we do not quit treating him as a sick person merely because the fever subsides. The patient goes through a convalescent period during which he recovers his health and then can resume his normal activities.

The reconversion of this country from war to peace—I may say from total war to total peace—is the convalescent period, a period not contemplated in some respects by the humanitarian writers of the Constitution of the United States. No one at the time the Constitution was framed had taken into consideration Clausewitz' idea of total warfare, warfare upon civilians and warfare upon industry and warfare upon homes. At that time warfare was, shall I say, a rather gentlemanly operation in which armed forces opposed other armed forces. Now nations go to war totally, and the situation we face is that of converting our Nation from total war to total peace. It is not an immediate operation; it is a slow operation. Events have imposed upon the Congress of the United States the need for making a tremendous decision, and the need for making it speedily, and, I maintain, at this time, and not later.

Either we have the will to banish unemployment, insecurity, and fear, or by doing nothing to make them absolutely certain. The evidence of their certainty is present now when we see men drifting, as they are doing constantly, from higher paid jobs to lower paid jobs which hold out the certainty of a peacetime future—as General Somervell and others have said—drifting from war industry into peace industry to assure their futures.

We cannot delude ourselves with the thought that a little unemployment—a few thousand in this community, 50,000 in another community, and 100,000 in a third—will not wreck the Nation. Unemployment is a contagion which must be stamped out, for it spreads through the Nation from end to end. Depression and unemployment develop. They do not just spring up. They develop in arithmetical progression. From one group of unemployed we go to a much larger group of unemployed. Let no one say to himself that a little unemployment will help us back to normalcy. I have heard that argument too many times. On the streets of Washington and in the hotels I have heard the statement made that we need about 20,000,000 unemployed persons in the United States. There is no such thing as a little unemployment.

It required boldness of mind to plan for 100,000 airplanes a year, and for 20,000,000 tons of shipping a year. Where now are the scoffers who scoffed and laughed at that plan? They said we could not do it. We did it. Shall we let them scoff us out of the idea of continuing in peacetime employment what we are now doing, our peacetime production having been shut down for approximately 3 years, and our shelves being practically empty?

The little of mind are always with us. Let them follow us, but let us not permit them to lead us. It has been said that a little mind will lead a nation to destruction.

Planning for reconversion, however painstaking, cannot prevent some temporary unemployment. Plants in process of conversion cannot use the full employment which they used in times of full production, but an adequate plan of reconversion can give such plants the speediest reemployment of excess labor. During wartime carefully laid plans may be suddenly outflanked by an advance on the battlefield, as has been plainly evidenced. Provision must be made for the maintenance of workers displaced for the periods of time in which they are displaced; but such provision must insure a continuation of purchasing power in those workers, to save them from the fear of subsisting on charity.

Existing State systems for handling local temporary unemployment are entirely inadequate to cope with this problem. The payments range from as low as \$12 a week to as high as \$22 a week. A man from my State might be unemployed in the State of Connecticut, and if he should elect to stay there he might receive \$22 a week. If he should go back to my State he would receive only \$18 a week. If he should go to some other State he might receive as little as \$12 a week, making an absolutely out-of-balance, out-of-proportion system in the whole field of unemployment compensation.

The State systems are not designed to deal with a situation in which 20,000,000 war workers and 12,000,000 ex-servicemen must find new employment. Let no one think for a moment that the airplane plants of the United States will continue on the basis of 100,000 planes a year. They cannot do so. The skies are rather large, but the investors are smaller than the skies, and they cannot buy that many planes. We who have built up the greatest merchant marine the world has ever seen in a period of less than 3 years cannot hope to continue building ships. We have reduced the time of building ships from 6 months to 30 days. We cannot hope to continue at that rate. Those who are building those ships are our construction workers. They are from our large construction companies, and they must go back to construction work; but there will be an interval of time between the time the shipyards close and the time when construction is resumed. That period of time must be taken care of.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. AIKEN. Has the Senator any estimate of the number of workers in industrial war plants who are employed outside the States of their residences?

Mr. KILGORE. No; I have not. It is impossible to determine. Workers have been recruited from other States on a large scale. I should say that at least 80 percent of the States of the United States have been exploited with respect to workers. By that I mean that recruiting parties have come in from other States and have taken workers away. The only figures I have are from my own State. They show that approximately 12 percent of our entire population is working outside the State in which they formerly worked.

Mr. AIKEN. It is also true that the unemployment tax which has been paid upon their wages and salaries has been paid into the treasuries of the States where they were employed.

Mr. KILGORE. That is absolutely correct.

Mr. AIKEN. And not the States of their residences.

Mr. KILGORE. That is correct.

Mr. AIKEN. Under the present law a State like North Dakota, for example, which has lost 25 or 26 percent of its population, would be called upon to pay unemployment compensation to that portion of its population which might come back to North Dakota unemployed.

Mr. KILGORE. That is correct.

Mr. AIKEN. The payment would not have to be made by the State where the money was earned, and into the treasury of which a tax was paid, but would have to be paid by the State in which the industrial war workers have their residence, and perhaps maintain their families—the State which they call home.

Mr. KILGORE. Unless the other State could be prevailed upon to reimburse the State of their residence, that State would be out of luck.

Mr. AIKEN. Does the Senator think it would be easy for a poor State to prevail upon a wealthy State to return some of that money?

Mr. KILGORE. From my past experience, I question the possibility of such an arrangement.

Madam President, these systems were not set up in contemplation of a fully functioning economy with full employment and full production on a Nation-wide scale. When we originally set up the unemployment compensation system our workers in the main stayed within the States in which they were originally employed. It was a question of reemployment and unemployment compensation within the State boundaries, and each State had its own peculiar problems. There was no effort to recruit workers in the interest of a war, and to take those workers beyond the limits of their States. However, the Nation became involved in total war, and in effect we abolished State boundaries. We stir up a little competition in War bond sales by saying that one State sold more War bonds than another State; but, in the main, in the prosecution of total war we abolished State boundaries for the purpose of the war. The States do not declare war. The Congress of the

United States declares war. The States were not able, and did not have the machinery, to set up war production. Congress did that.

Back in the day of the War between the States that great President, Abraham Lincoln, undertook to handle the problem on the basis of States' rights. It will be remembered that he called upon the States for certain quotas of men, based upon their population. The disappointment was great, and eventually the first draft act of the United States was passed, and the war had to be put on a national basis. We could not depend upon the increments from the States pursuant to requests by the Federal Government to the States, as originally contemplated by Abraham Lincoln.

What do we mean by full employment?

We are a nation of 135,000,000 people. During 1943 we achieved a national income of almost \$150,000,000,000. It is conservatively estimated that with the return to civilian employment of approximately 10,000,000 servicemen—and it must be remembered that between ten and eleven million potential workers participated to a very small extent in bringing about that \$150,000,000,000 of income—their contribution, over and above that of the new war workers, would raise the national income to \$170,000,000,000. This means that an average family of four persons would have to spend approximately \$5,000 to maintain our economy in full operation. Some may spend more, and certainly many will spend much less. We anticipate that. But the capacity, if not the appetite, of those who can afford to spend much more is limited. We therefore cannot afford to allow the income of the many to fall far too low. It must be kept within a reasonable range. If we expect to maintain an economy in which there will be buying power, if many families receive more than this, there will not be sufficient income to maintain the maximum average required to insure full production. This provision, together with the other provisions of the bill, would reduce unemployment, so the temporary differential would not affect our national program.

For more than 3 years we have been cut off from civilian production in respect to major items of family existence, such as automobiles, refrigerators, stoves, curling irons, toasters, radios, and various other things. The normal life of an automobile in the United States in the hands of the average family is 2 years. That is to say, the automobile is traded in about every 2 years. Some families trade them in every year. A few, like myself, are rather conservative, and trade in every 3 years. I should say that the average would be between 2 and 2½ years. Our pre-war production of automobiles was 4,000,000 a year. If we assume a production of 6,000,000 cars a year, the total in service having been approximately 8,000,000, in 2 years automobiles will begin to be traded in. Our production will be maintained if we have the buying power. All the houses in the United States will need painting and repairs. A tremendous amount of replacements will be necessary. It will be pos-

sible to maintain such an economy if we maintain buying power; but the man who sees no future will not spend the few dollars he has in doing the things which are necessary for the maintenance of his house.

It is objected that such benefits would encourage idleness. This objection overlooks the safeguard that in no event are benefits to exceed 75 percent of the worker's previous earnings. For workers without dependents the benefit would be less than 45 percent of their previous earnings. In other words, while we say 75 percent of the worker's previous earnings, if there are no dependents we really would cut it down to 45 percent. If Senators will consult the average of the States they will find that the amount is based upon an average of 50 percent of the worker's previous earnings. Assuming that the worker in a manufacturing plant now receives an average wage of approximately \$46, if he had one dependent he would be paid approximately 45 percent of his earnings.

Accordingly, there is in the bill a provision to prevent idleness. I would not assume to say that there will not be some workers who will be inclined to avoid work. There always are. But workers drawing benefits must be available for, must apply for, and must accept suitable employment; and that does not mean the particular line of work in which the worker was previously engaged. There is enough protection there against the willful malingerer. But in any event we are legislating for the overwhelming number of Americans, not for the extraordinarily small number of malingering cases. I, for one, do not believe this is a nation of idlers. I reach that conclusion from the fact that most of the reports on production failure because of lack of work in war plants, which reports have been turned over to the Special Committee to Investigate the National Defense Program, have come from the workers themselves who objected to sitting around, not doing anything, and being paid wages. Those who believe this is a nation of malingerers and of lazy people should say so.

We have seen that our Nation can work. We have seen the volume of production of which it is capable. We have seen that the very fact of that production has confounded the German plan of operation and has upset the entire world picture as the Germans had so carefully planned it. Can we malign our own people by saying they are a bunch of idlers who do not want to work but want to take advantage of some employment compensation, in the face of such unprecedented production which has been achieved in spite of the occasional failure of proper application of skills to the job?

The second major objection to this measure comes from those who are disturbed by the probable cost of the interim placement benefits and the provision for education. To those I would urge caution before they start multiplying.

First let us count the costs of doing nothing. Let us examine these costs. In the absence of legislation program-

ing reconversion, sustaining the purchasing power of the unemployed, and planning for full production and employment, it is estimated that there will be 6,000,000 unemployed in the interval between the defeat of Germany and the crushing of Japan, if this interval lasts 6 months.

Let me give some specific illustrations on that point. I have in mind what the situation will be if we permit the various unintegrated program agencies of the Government to cut back production and to cancel contracts at their will and pleasure, without any over-all programing or any over-all planning. Let me cite by way of illustration that 2 weeks ago I saw a plant in the United States which was producing a very vital war instrument. It was being operated by the United States Navy, through a contracting agency. Suddenly a cut-back was ordered in the production of that instrument. It had taken 6 months to train the workers who operated the machine tools in that plant—the lathes, the drill presses, and the other machine tools which were required. Because of that training those workers could operate the tools with different cutting heads, on anything they wanted to work on, with proper gages. The cut-back was ordered, with no programing for future work. In the meantime the Army decided it would make something else in that plant. One thousand seven hundred trained workers, who had taken 6 months to train, were laid off. They went out in the highways and byways, seeking jobs. The 6 months' training which had been given them 12 months previously was wasted. Perhaps they are now working in shipyards. We do not know where they are working, but they are working some place.

Now the agents of the new agency which undertook to operate that plant are faced with the problem of obtaining 1,700 trained workers to take the places of the former workers. That is what I mean by planned reconversion in time of war. We must plan for the same thing in peace. We must plan to get back to peacetime production.

In the State of West Virginia, there is a plant which produces zinc. It uses a certain concentrate in the production of the zinc. Its entire production is allocated by one agency to certain plants. The price of its product is fixed by another agency. The agency which allocates its product had been giving it certain subsidies. It decided to withdraw the subsidies. In spite of the fact that there is great demand for zinc in civilian production and that there is a ready market for the products of that smelter and of several others, in producing flashings for roofs and downspouts, and various other articles in connection with roofing and other things which require galvanized iron, when the concern came to Washington the only request it made of the War Production Board was, "Please take us off allocation. We have no place where we can sell our material unless we sell it to the Government. We cannot make operating expenses. Take us off allocation, and let us sell our material elsewhere."

The reply was, "We are sorry we cannot do it."

In the meantime the other agency said to the company, "We cannot fix a price on your product regardless of the price of the raw material unless the War Production Board takes you off allocation."

The company said, "What can we do? We are producing a vital class of war material."

The reply was, "Well, the best you can do is to shut down."

Shutting down meant laying off 2,700 workers in that community. That case illustrates what I mean by the need for over-all planning and over-all programing. We must have such planning and programing if we expect to make the transition from war to peace with the least possible monetary expense and the least possible suffering.

Mr. AIKEN. Mr. President, if the Senator will yield to me, let me say that he has been citing a specific instance of confusion due to Government orders or lack of orders. I suppose that in his bill he has a specific remedy for such a situation.

Suppose the bill were law. How would that situation have been handled?

Mr. KILGORE. Under the over-all programing, the minute the need for a specific thing in civilian industry was foreseen, or the minute the lack of need in the war effort was foreseen, the necessary orders would be issued. It would not be necessary for that company to go to half a dozen agencies; but the over-all program agency would say to the one agency, "Take that company off allocation," and would say to the other agency, "Fix that company's price," and would let it operate. In other words, it would all be done by one Government agency, instead of requiring the company's representatives to plod from building to building in Washington, and still get nowhere.

Mr. AIKEN. Then, the output of that company would be permitted to go into civilian production, so long as it did not interfere with the war effort. Is that correct?

Mr. KILGORE. Yes; so long as its output was not needed for war. That is correct. As quickly as a plant could be released for civilian production and could be placed in civilian production, under the planning, without having its manpower or material requirements interfere with the war effort and planning, that would be permitted, so that we would have a gradual transition stage instead of an abrupt stoppage and then, 6 months later, an attempt to go into production again.

Mr. PEPPER. Mr. President, will the Senator yield to me?

Mr. KILGORE. I am glad to yield.

Mr. PEPPER. With respect to the so-called over-all provisions of the bill, is it not the opinion of the able Senator from West Virginia that if the Government is to have anything at all to do with reconversion, it must act through some sort of a coordinated agency in respect to what planning it does and in respect to the part it plays in the reconversion program?

Mr. KILGORE. That is absolutely correct.

Mr. PEPPER. Outside the President of the United States and the present Director of the Office of War Mobilization, Mr. Byrnes, who has no right to existence in that capacity save under Executive order, is there, in the absence of this bill, any such agency in the Government?

Mr. KILGORE. No; there is not. Mr. Byrnes was established in his present capacity by Presidential directive under the War Powers Act. The President himself could not keep him in office any longer than 6 months after the termination of hostilities, even if he desired to do so. The partial provisions of this bill with respect to coordination would permit all that to be continued, but with proper legislative backing, however, not merely on the basis of a Presidential directive. Proper legislative backing and programs would be laid down for a period of 2 years, or until we hope the whole thing will be straightened out.

Mr. PEPPER. Let me observe that the able Senator is a very distinguished member of the Truman committee. Has it not been the observation of that committee and of the able Senator himself that there has been far greater efficiency in the action of the Government in coordinating the several governmental agencies and departments in the prosecution of the war since, by Executive order, there has been set up a war mobilization agency, the Office of War Mobilization, a centralized directive authority, outside the person of the President?

Mr. KILGORE. Unquestionably so. Let me give the Senator an example. I could liken the previous situation to that of a division commander who tried to handle his division in battle by issuing individual orders to the squad leaders—that is, the commanders of each group of 8 or 10 men—whereas under the new set-up the division commander will have a chief of staff. The bill is partly designed to provide a chief of staff for the President, so as to coordinate these activities during the transition period. Frankly, I believe that the appointment by Presidential directive of an over-all coordinator has speeded up the war effort tremendously. There can be no question about that.

Mr. PEPPER. Would not the Senator agree that those who believe in the assertion of legislative power by the Congress would be more in favor of the central agency being given statutory authority than executive authority?

Mr. KILGORE. The Senator from Florida is absolutely correct. The preference of legislative or statutory authority over an authority conferred by a general directive is this: Certain departments of the Government were created by legislative action and certain others by directives. If a division were established by legislative action with specific powers conveyed to it, no other subdivision of the Government, or agency of the Government, which has been likewise established, could question its authority. If an agency or division were created by directive or by an Executive order, the agency upon which specific powers had

been conferred could say in effect, "You are proceeding under a general directive and we are proceeding under specific authority."

Mr. PEPPER. So the provisions about which the Senator is speaking express the law of the Congress in the first place because statutory authority is given; and in the second place, the very persons who perform the various functions will have to come to the Senate for confirmation after they have been appointed by the President. Do I correctly state the situation?

Mr. KILGORE. The Senator is correct. Under the plans and programs which would be in effect those persons would have to come to the Congress for authority to carry out any of their functions, and would have to make regular reports to the Congress as to what they have done, and what they recommend, and the Congress then would act upon their recommendations through the passage of specific laws.

Mr. PEPPER. If I correctly understand the provisions of the proposal, a vast new bureaucracy would not be set up, but instead it is specifically provided in the language of the measure that the Director of War Mobilization, with his deputy director, will have to act so far as possible through existing agencies of the Government?

Mr. KILGORE. That is correct. I may say further to the Senator from Florida that the pending amendment specifically provides that they shall act through existing agencies all the time. I may further state that the plan is merely a projection of the plan for war mobilization which was put into effect by directive, and which is now operating.

Mr. PEPPER. In other words, it is a statutory substitute for an existing agency.

Mr. KILGORE. The Senator is absolutely correct. Practically all the executive capacities created by the bill are to be merely continuations of existing capacities. For instance, General Hines is now Administrator of the Retraining and Reemployment Administration under the President. The bill would create a work administrator and give him specific powers. If the President should so determine, the present incumbent would continue his work as Administrator or, if the President should decide to select a new administrator, he might do so with definite powers conferred upon him by Congress.

Mr. PEPPER. If I correctly understand, there is to be an advisory council which would surround and advise the Director of War Mobilization. I imagine that would be, as its name implies, purely an advisory council consisting of representatives of agriculture, industry, labor, and the public, in order that a cross-sectional point of view could be presented to the director in his plans and programs, including his program for coordination.

Mr. KILGORE. Not only that, but it would constitute a connecting link with the people in general through which they could express their wishes and register their reactions, favorable or otherwise. The proposal would prevent

the director becoming a dictator. While such a council could do nothing but advise, it could make its voice felt by reports to the President and to the Congress if the Director got off on the wrong track and become a dictator. By the way, the system to be followed would be the same as that which we have used constantly in building up our war industry from a peacetime industry. For example, there has been some talk of industrial councils. We have 250 of them at the present time. They have helped in converting various peacetime industries into wartime industries. We need a similar organization in order to convert back to peacetime industry.

Mr. PEPPER. I should like to ask the Senator whether he agrees with the criticism of the Murray-Kilgore bill which was made by one of our colleagues who compared a part of the bill to the old N. R. A. Is the criticism an accurate one?

Mr. KILGORE. Oh, no. There is no power provided in the bill which would allow the fixing of prices, or saying to one section of the country, "You can produce certain things"; and to another section of the country, "You cannot produce certain things." The body proposed would simply be an advisory one to meet and advise with the Director in connection with United States industry as a whole.

Mr. PEPPER. What are the safeguards provided against the fixing of prices?

Mr. KILGORE. In the first place, there would be no authority to fix prices. In the second place, the Director would be limited in the action which he would be allowed to take. It would require an act of Congress to increase his powers. Congress would have to pass an act creating a power before it could be conveyed.

Mr. PEPPER. Is there any provision in the Senator's bill for the Department of Justice or the Attorney General to exercise a surveillance over the councils in order to see that no violation takes place with respect to combinations in restraint of trade?

Mr. KILGORE. The bill provides that the actions of the council shall be supervised by the Department of Justice, and if at any time the Department of Justice finds that any activity tends to create a monopoly or interference with free trade, the activity shall cease.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. MURRAY. The precise language of the bill in that respect is as follows:

Provided, That full information on all such councils shall be submitted to the Attorney General and no such councils shall continue any operations or activities which the Attorney General finds and certifies to the Director tend to promote the restraint of trade or the extension of monopoly.

Mr. KILGORE. I thank the Senator for the specific language which he has read.

Mr. PEPPER. Mr. President, if the Senator from West Virginia will yield to me, I have one further question.

Mr. KILGORE. I yield.

Mr. PEPPER. Is there any provision in the bill which would give to the Director of War Mobilization and Adjustment the duty and authority to endeavor to make the Federal Government's several agencies function together more completely, and to wipe out unnecessary agencies wherever they might be found to exist?

Mr. KILGORE. Yes. The bill provides that it shall be one of the duties of the Director to consolidate agencies where they are found to be in conflict with one another, or where there is a duplication of agencies, and to weed out agencies which are found to be unnecessary. Of course, that can be done only as a result of appropriate recommendations to the Congress when acts creating the agencies have been passed by Congress. The Director could not wipe out an agency created by Congress. He could only recommend that the Congress wipe it out. If the agency were created by the President, he might recommend that the President wipe it out. So the proposed legislation would constitute a running survey of improvement, and would streamline governmental effort.

Mr. PEPPER. If I correctly understand the Senator, the Congress and the country are presented with three choices as to what the Federal Government can do in connection with the problem of reconversion. First, there would be left to the President, as the only authority, the function of bringing together, harmonizing, and mobilizing the several departments and agencies of the Government, and establishing a program for the Government; second, we could allow the Government to have nothing whatever to do with reconversion and planning for our future, but merely allow the Government to stand on the street corner like a policeman who watches traffic pass by without having anything to say about its direction or its safety; and third, there would be the course which the Senator suggests, namely, that the Federal Government establish by congressional act, some agency other than the person of the President, the members of which would be appointed by the President and confirmed by the Senate, whose duty it would be merely to coordinate, harmonize, and make efficient governmental participation in the program by first trying, with the advice and consent of the people generally, to formulate plans; second, to coordinate the agencies through which plans might be carried out; and third, to try to make more efficient the action of the Government in carrying out those functions.

Mr. KILGORE. That is correct. I believe it was old Philip of Macedon who discovered that no man could control under him more than seven men. From that discovery grew the American Army squad, and from the squad there grew the Army. In multiples of seven or less we have gradually worked out our economic organization. If we leave it to the President to control all the various ramifications without the assistance of a chief of staff and subchiefs who are under the chief of staff, we will leave an impossible program up to the President. The pending bill is designed to offset that

situation, as the appointment of Justice Byrnes was designed by the President to offset a similar situation during the war. We must remember that we, as the Congress of the United States, created the power which enabled persons to go into the shops of our various States and take tools out of them, which enabled the Government to tell a factory what it could manufacture, and which enabled it to say to a plant, in effect, "You cannot have certain material." We, as a Congress, must create the machinery which will enable those plants to return to peacetime business in an orderly way, replace worn-out machinery, and enable them to obtain raw materials. The burden is upon the Congress, which took that power away from them, to give it back in an orderly way, and not merely release it, like pulling a lever to open a flood gate.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JACKSON in the chair.) Does the Senator from West Virginia yield to the Senator from Vermont?

Mr. KILGORE. I yield.

Mr. AIKEN. I should like an interpretation of paragraph (c) on page 2 which reads as follows:

In addition to any authority which the President may delegate to him, the Director shall, subject to the direction of the President and with the assistance of the Deputy Director.

Then it goes on through seven pages describing the duties and the authority of the Director of War Mobilization and Adjustment. If the Congress prescribes seven pages of duties for the Director, what is the meaning of the words "in addition to any authority which the President may delegate to him"? Does it mean that the President may add to the authority and the duties which have already been prescribed by the Congress, or what does it mean?

Mr. KILGORE. I may say to the distinguished Senator from Vermont that the President can only add those things that are covered by the War Powers Act, which he has a right to delegate anyway.

Mr. AIKEN. It means, then, that he can continue what he is doing at this moment.

Mr. KILGORE. The idea is that the Director would take the place of the Director of War Mobilization and would become the Director of Mobilization and Adjustment, instead of merely the Director of War Mobilization, and the President for the duration of hostilities could still confer upon him, by directive, any powers the Congress has conferred upon the President under the War Powers Act, in order to provide for the transition stage.

Mr. AIKEN. The provision, then, simply gives statutory authority for what is already being done by the President.

Mr. KILGORE. We have already given statutory authority.

Mr. AIKEN. And adds some ideas that Congress has.

Mr. KILGORE. It adds the theory of the transition stage and the planning and the necessary activities that must

take place in converting from war to peace.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. BARKLEY. The Senator from West Virginia knows, as all other Senators know, that prior to the recess during the spring and summer the Special Committee on Post-war Economic Policy and Planning, in collaboration with the Senator from Montana [Mr. MURRAY] as chairman of a subcommittee of the Military Affairs Committee, worked out and introduced what was known as the George-Murray bill, one title of which dealt with reconversion—I am not speaking now of unemployment compensation; I am speaking of reconversion—and set up machinery for it. Wherein does the title on that subject in the Senator's measure differ from the provisions of the original George-Murray bill?

Mr. KILGORE. I may say to the distinguished majority leader that that is titles I and II of the bill. Two bills were coalesced. That was not the particular bill of the present speaker, but embodied the idea of Senate bill 1730 and Senate bill 1893 in complete accord between the Senator from Montana [Mr. MURRAY] and myself. There is no dispute as to the terms of either bill. Both bills were simply merged into one. That is what actually happened.

Mr. BARKLEY. It is true there were two titles.

Mr. KILGORE. Yes, there are two titles covering the reconversion program.

Mr. BARKLEY. Is there any essential difference in the set-up provided for in the title of the Senator's bill which he has offered as an amendment and the original George-Murray bill dealing with that phase of the subject? While the language is different and there is some rearrangement of provisions, essentially is there any difference?

Mr. KILGORE. I may say to the Senator from Kentucky that the program is exactly the same. The language has been somewhat rearranged for clarification, but that is all.

Mr. BARKLEY. I think some confusion has arisen in the minds of Senators, certainly in my own, because of the length of the provisions. The proposal the Senator has offered is made up of some 48 pages, and in reading it I have wondered whether it was still further attempted to go into detail in the interest of clarity, because if we have 20 pages of legislation setting up the machinery for reconversion there is an almost necessary confusion in the minds of those who try to read through that and at the same time keep in mind everything that is provided in other sections on different pages of the bill. I am wondering if the bill is as succinct as it is possible to make it and at the same time cover the territory.

Mr. KILGORE. I may say to the Senator from Kentucky that I doubt if it could be shortened and cover the territory it tries to cover. There are two items somewhat different from those in Senate bill 1730, but which incorporate the same idea. The provision with reference to the Production Board is some-

what different from the original idea of the Production Board. We incorporated the same idea in Senate bill 2061. The councils, the members of which draw no pay, but which are purely advisory councils to help out, were a composite idea. I see no way of making it briefer. When we stop to figure the conversion of \$170,000,000,000 worth of business from war to peace, I doubt if the provision could be written in less than 48 pages.

Mr. BARKLEY. Perhaps that is true, but it is to be regretted.

Mr. KILGORE. I can hardly conceive of proper provision being made in less space.

Mr. BARKLEY. Let me ask the Senator what ground as to reconversion is covered by the bill offered by the Senator from West Virginia and his colleague the Senator from Montana which is not now being dealt with or covered by Executive orders or by the war mobilization set-up which has been created by Executive order.

Mr. KILGORE. First, of course, there is the extension of power for complete conversion. That is not covered by Executive order, and cannot be unless we extend the War Powers Act, and thereby Congress lose control of the whole post-war period.

Certainly there is a definite system of over-all planning which has not been previously contemplated. In other words, the planning heretofore has been all for war; and therefore, up to this date, it has been carried on by the Army, the Navy, Lend-Lease, and the War Shipping Administration; but it may be that there will be a conversion of a large number of establishments which will pass out of the picture, and so it is necessary to have an over-all planning agency to plan how fast we can turn them back to private industry.

Mr. BARKLEY. In other words, whatever version of the problem may be taken by the Congress, there is the necessity that legislation be enacted in order that the field may be covered under the authority of Congress, with the power streamlined as much as possible, so that those who administer the law may know what Congress had in mind.

Mr. KILGORE. I may give to the distinguished Senator from Kentucky an illustration on that point. Quite recently the War Production Board, which is set up under the War Powers Act, asked the automobile agencies to prepare a plan for the new automobile which would come as soon as their plants could be released. The Board was promptly informed by the automobile companies that they were not interested and would not touch anything along that line. Possibly the automobile companies were right, and possibly the War Production Board was right; but there was no essential agency other than the President himself that could determine that fact. We need automobiles; we need taxis; we need busses; we need trucks for farmers; but there was no agency to plan that when production in a certain branch of General Motors is shut down, that branch of General Motors shall get ready to engage in nonwar production.

Let me give another example of the necessity for over-all planning which is now needed. We all recall the celebrated Brewster incident. I shall not talk about the Brewster incident, but it resulted from the fact that the United States Navy suddenly discovered that they had overcontracted a certain type of plane which three separate plants were building. One was the Chance Vought plant, which designed the plane; one was the Goodyear Rubber Co., whose plant was at Akron, Ohio, and another one was the Brewster Co. The Brewster Co. was in a No. 4 area. It had previously made gadgets for automobiles, such as door handles, locks, buffers, springs, and so forth. The Goodyear plant was in a rubber section. The Brewster plant was shut down because of inadequate planning. At the same time the synthetic rubber plants were shut down for 1 month. They were shut down because there was not sufficient labor in Akron, Ohio, to make tires. Had an over-all planning been in effect, we would have seen to it that the War Production Board had the men released by the Goodyear plant to work the rubber factories, and Brewster could have gone ahead and been placed in a position to continue to manufacture various kinds of gadgets. That is the reason for over-all planning in the transition stage.

Mr. BARKLEY. Does the Senator's bill provide for a 2-year limitation in regard to reconversion?

Mr. KILGORE. It provides for a limitation; its provisions automatically expire unless Congress should continue the life of the measure.

Mr. BARKLEY. The law itself would automatically expire, but would all the power it grants expire also, or would some of the power carry over?

Mr. KILGORE. No; all the powers contained in the act would expire at the end of 2 years after the termination of the war.

Mr. BARKLEY. Does that allow any winding up or liquidation period after that?

Mr. KILGORE. It was the belief of the various individuals who worked on the bill that 2 years should be sufficient to wind up the situation. That is the winding up period.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. TAFT. As I read the bill its provision is 2 years from the termination of the war, which might be 7 years from now, so far as I can see.

Mr. KILGORE. Oh, certainly; that is correct. From the termination of the war. We cannot terminate reconversion until we terminate the war production, I may say to the Senator from Ohio.

Mr. TAFT. "After the termination of the war" may be 3 years after the termination of hostilities. The Senator's bill says nothing about the termination of hostilities, and the termination of all hostilities may well perhaps be a year after termination of hostilities in Europe, so that it is at least a 3-year bill from the time of the ending of the German war, and it may be under the pres-

ent terms of the bill a 5-year bill or a 7-year bill.

Mr. KILGORE. Certainly. I may say to the Senator from Ohio that in today's newspaper I noticed a request by transportation authorities to proceed with a great amount of extra construction on the Pacific Coast for the prosecution of the war in the Pacific, and I contemplate there will be much movement of material in that area when the European war is over. Therefore we cannot say that the war is over until Japan is defeated.

Mr. VANDENBERG. Mr. President, may I ask the Senator one question?

Mr. KILGORE. Certainly.

Mr. VANDENBERG. I think it is important that the interpretation of that phrase should be very definite. When the Senator refers to the termination of the war—

Mr. KILGORE. I beg the Senator's pardon. Termination of hostilities.

Mr. VANDENBERG. No; I am sorry; the bill reads "Termination of the war," and I am inquiring whether the termination of the war means the signing of a peace treaty?

Mr. KILGORE. Not in the opinion of the present speaker. The termination of the war, as contemplated now, means the unconditional surrender of the enemy, without considering any treaties of peace in the future. It is the idea of the speaker that the words "termination of the war" shall be as contemplated in our idea of the war, which is that the war shall end when the enemy surrenders.

Mr. VANDENBERG. So the Senator's interpretation of that phrase—

Mr. KILGORE. Is the termination of hostilities, shall I say to the Senator from Michigan.

Mr. VANDENBERG. On all fronts?

Mr. KILGORE. On all fronts.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. KILGORE. Yes.

Mr. TAFT. The Senator from Kentucky [Mr. BARKLEY] asked the Senator from West Virginia whether the bill now in contemplation was like Senate bill 1730, the George-Murray bill. I hold that bill in my hand. That bill contains nothing whatever with respect to a Work Administrator or any of the extensive bureaus provided for in the present bill?

Mr. KILGORE. To which bill does the Senator refer?

Mr. TAFT. Senate bill 1730.

Mr. KILGORE. Is that the original copy of Senate bill 1730?

Mr. TAFT. Yes.

Mr. KILGORE. The final draft of Senate bill 1730 is very much in conformity with the present bill.

Mr. TAFT. However, that bill did not contain this labor, industry, agriculture, war, demobilization national production employment committee.

Mr. KILGORE. That is correct. I stated to the Senator from Kentucky that it did not contain that over-all advisory committee.

Mr. TAFT. And it did not contain the area committee, or the industry committees provided for in the present bill?

Mr. KILGORE. That is correct. Those were added to it, because they are a part of the present machinery which we have now set up in converting from peace to war.

Mr. TAFT. In fact there seems to be no similarity between the two measures except for the creation of a Director of Mobilization. In that respect they are somewhat similar, but otherwise there seems to be no similarity between them.

Mr. KILGORE. I may differ with the Senator from Ohio and say that there is a great deal of similarity between them.

Returning to the original theme which I was discussing, the second major objection to this measure comes from those who are disturbed by the probable cost of the interim placement benefits and the provision for education. To those I would urge caution before they start multiplying.

First let us count the cost of doing nothing. Let us examine that cost. In the absence of legislation programing reconversion, sustaining the purchasing power of the unemployed, and planning for full production and employment, it is estimated that there will be 6,000,000 unemployed in the interval between the defeat of Germany and the crushing of Japan. That takes into account all the necessary conversion from the east coast to the west coast in order to carry on properly the war in the Pacific.

During the first year after the defeat of Japan, unemployment may rise to 12,000,000, and to 18,000,000 during the second year. When unemployment developed on a comparable scale between 1929 to 1932, national income dropped from \$83,000,000,000 to \$40,000,000,000; income of corporations and proprietors, excluding agriculture, dropped from \$15,600,000,000 to a deficit of \$285,000,000. That will give some indication of the cost to the Nation if, because of widespread unemployment, our possible national income shrinks from \$170,000,000,000 down to 1932 levels. The real cost will be even more tremendous. From the standpoint of cost to the Federal, State, and local governments, the picture is equally black. It is doubtful that the cost of maintaining 18,000,000 unemployed would be far below \$12,000,000,000—this is at the rate of less than \$14 per week.

That is the cost. The total cost for 2½ years following the defeat of Germany would amount to approximately \$18,000,000,000. And that money cost is only part of the cost. At the end of the period our productive plant would be disrupted, our workers demoralized, and the prospects even worse. That is the cost of doing nothing on the basis of the present scale of benefits.

I may say Mr. President, that the strength of a nation has only one measure in time of stress, and that is the strength of its manpower, and their will to do, and when their will to do and the strength of that manpower are broken, the nation is wrecked. I call attention to the fall of Rome, the fall of France, the fall of Russia, the fall of every nation that has ever fallen. Its fall was due to the breaking of the will of its manpower to carry on the government of the nation.

I may also refer, Mr. President, to those who think only in the terms of the dollar sign. I ask them to become abstracting attorneys for a few minutes, and to trace the chain of title of the houses they occupy, of the factories they think they own, and they will trace them back to grants from the State, to grants from the Government, and when the Government is smashed their title is smashed. Whenever a government is wrecked the title of every piece of property is destroyed, the value of every hoarded dollar and the value behind the government's bonds are taken away. We are playing with dynamite when we wreck the will of the manpower of a nation to maintain its government in an orderly fashion.

The cost of unemployment compensation and relief in the 2½ years following the defeat of Germany can be estimated to be \$2,000,000,000 during the first 6 months, \$6,000,000,000 during the next year and \$10,000,000,000 during the following year; a total of \$18,000,000,000. The annual rate at the end of the second year would total \$12,500,000,000.

I say these are all estimates. This is the worst estimate we could arrive at with respect to the cost. The theory behind the whole program and the whole bill is that we are not going to destroy the purchasing power. We are going to keep in the people the purchasing power of the Nation, and allow them to buy things, and thereby create employment rather than unemployment.

If this bill is passed—although the benefits would be almost twice as much per family—the cost would still be less. In view of the dependency and previous earning restrictions, the benefits under this bill would average \$1,250 a year.

Mr. President, I have heard a great deal about \$35 a week. It is a favorite newspaper subterfuge to take the sensational figure. It is also the opposition subterfuge to take a figure which sounds big, to take an alarming attitude—in other words, to grab headlines.

The costs would be as follows if this bill is passed: 6 months following surrender of Germany, \$1,100,000,000; first year following end of war, \$3,500,000,000; second year, \$3,200,000,000; a total cost of \$7,800,000,000 as against \$12,500,000,000. The annual rate at the end of the period would be \$2,500,000,000. These are the figures which indicate the cost of caring for the unemployed at existing rates and under the proposed system, as opposed to putting the unemployed into bread lines, soup kitchens, and on public assistance or public charity.

These figures show that it is impossible to pay too much to avert a catastrophic depression.

Economic chaos is infinitely more costly than effective measures to prevent it.

Leaving aside the untold human suffering hidden in the figures of 18,000,000 unemployed and looking at it on a cold financial basis—the Murray-Kilgore bill should be passed for dollar reasons alone, forgetting the human element involved, forgetting the breaking of the spirit of American manpower, the loss of confidence they may have in their Government, and in their business background.

There are other features of this bill which call for expenditures of public funds. There is, for example, the provision for maintenance and tuition for retraining and education for ex-servicemen and civilian workers. One of the serious problems encountered at the outbreak of this war was the question of the untrained worker. Let me call the attention of the Senate to the fact that in every contract let by purchasing agents of the United States Government, 5 percent of the total contract price was allowed for the training of workers. This is a problem of retraining. We are retraining back from war to peace only when it is necessary. It is impossible to estimate with any degree of precision the number who would want and would qualify for this training. These costs would be less than, or at most equal to, the cost of interim placement benefits, the cost of which has already been included in previous figures.

Let me call attention to the years 1920, 1921, and 1922 when, it will be remembered, in many States of the Union we made contracts with plants to train our wounded and discharged soldiers, and rehabilitate them for work. I well remember plants in many States which took those men, accepted payment from the Government for retraining them, and used them as common laborers, hauling sand and sweeping floors, and turned them out at the end of 12 months with no training at all. It cannot be assumed that every serviceman is going to college, and that none of them will want work training.

We picked up youngsters 17 years of age and older and sent them to sea as merchant mariners. Those who thought that sitting in a swivel chair was going to sea, in the days when the U-boats prowled, were wrong. I invite attention to the fact that not a single one of those seamen is covered by any form of unemployment compensation at the present time. We sent those boys to sea, some of whom were only 17 years of age, without a trade, to risk their lives, and we provided no system for retraining. Ninety percent of those boys will be put on the beach, with the ship workers, unless we pass a retraining act.

There is also the cost of transportation for workers for whom jobs have been found in other localities. From the national point of view consider the saving achieved by this simple voluntary control of migration. In other words, we do away with the "Okie." We do away with the tramp. We do away with all State laws against persons crossing State lines without a means of subsistence. I remember seeing families coming from Detroit, Mich., after the last war, and passing through the town in which I live. I saw fathers and mothers pushing handcars, and the children hanging onto them. All their belongings were in the handcart, because they had no means of getting back to their homes. Without some system of direction the cost of readjustment to peacetime geographic patterns, involving tens of millions of workers, could run into billions of dollars in fruitless moving about.

We have deliberately brought about that condition by the high concentration of industry in certain sections of our country, involving tens of millions of workers. We did not pay for the expense of workers moving to war jobs. We should have done so. Some of the contractors did. Henry Kaiser ran special trains from New York to transport workers to Portland, Oreg. It is not only right that we should pay for their return; it is essential, if we are to have orderly reemployment and redistribution of workers in accordance with the new patterns of job distribution. We do not want thousands of workers and their families stranded far away from jobs. The shops in my State are crying for workers at the present time. They cannot get material or workers. After the war material and workers will be relieved and there will be a market for their products.

The amendment before us would do more than provide the temporarily unemployed the means needed to purchase the output of our farms and industries. It would immediately aid in stabilizing war production.

The Under Secretary of the Navy—to cite but one instance—reports that thousands of workers are leaving naval repair establishments in their desire to seek the possible security of peacetime jobs. These workers see their fellows in the war plants laid off as the result of sudden cut-backs in procurement schedules. If they quit now, they might get a job in a civilian industry. If they are laid off 6 months from now, they do not know what their prospects might be. I remember reading a newspaper article recently, telling about a man who left a job on the Pacific coast paying \$80 a week to go back to the Middle West and take a job as attendant in a filling station, because he thought that job might last.

What protection is there for the worker employed in a private repair yard in a State where unemployment compensation averages \$11 a week, and is limited to 16 weeks? There are many such examples. Employees in Government yards do not have even this limited protection.

Appeals for "the spirit of '43," as voiced by General Somervell, cannot remedy this situation. Basic problems must be met by basic solutions, and not simply by speeches, newspaper interviews, and exhortations. Insecurity must be offset by adequate guaranties. Title III of this bill provides the guaranty in the form of interim-placement benefits computed on the basis of the employee's previous earnings, and ranging as high as \$35 a week. Provision of these benefits is the best assurance of the larger plan looking toward real security through full employment, which will serve to protect war production against loss of badly needed labor. This section of the bill provides for vocational training and education for workers and ex-servicemen, increased mustering-out payments, and the costs of transporting workers, along with their families and household effects, to new jobs.

These, in broad outline, are the provisions for benefits in this bill. The

measure now before the Senate meets squarely the changing need; of the battlefields at the same time that it provides for a stable home front now and in the immediate post-war years.

The objectives of the bill can be stated in two phrases—full production and full employment. The provisions of the bill are equally simple. The responsibility to achieve full employment and production is, for the first time, centralized in a single office of the Federal Government. Authority over other Federal agencies concerned with procurement and production is lodged in that office. The office is provided with a technical staff to advise the director of the office, the Congress, and the President, on the existing programs of the Federal agencies. It will determine whether they are geared to the principal objective, that of maintaining full production and employment. If they are not, it will propose such additional programs as will insure that end.

Realizing that the participation of all sections of the Nation is required if we are to maintain full production and employment during the war and following the peace, the bill provides for a national production-employment board. This question has been previously discussed.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). Does the Senator from West Virginia yield to the Senator from Michigan?

Mr. KILGORE. I yield.

Mr. FERGUSON. Referring to some of the figures which the Senator has used with reference to the cost of unemployment, did the committee compute what rate of payment would result in no loss? The Senator figured that there would be a loss of about twelve and a half billion dollars at the end of the second year by virtue of unemployment, and that payments to the unemployed to maintain purchasing power would be about \$1,250 a year. Has the committee ever figured out, for example, that payments of \$50 a week would result in no loss?

Mr. KILGORE. No; I have not figured that far, because I was basing my statement on the figures which we have. Let me say to the Senator that those figures were based upon a transition state, in which Germany would fall first, and then Japan.

Mr. FERGUSON. Are they imaginary figures, or is there some basis for the figures?

Mr. KILGORE. I will say that they are estimates. No one can predict the volume of unemployment, but we can say that unemployment is progressive. The more persons initially unemployed the more unemployment will increase; and the hope is to hold the initial unemployment to a minimum, thereby holding back the progression of unemployment.

Mr. FERGUSON. The figure of \$35 a week has been used. If that were increased to \$50 a week, could we not entirely eliminate the loss?

Mr. KILGORE. No; that theory would not work. The figures used in

the bill are based upon the percentage of living costs, computed as of now, compared with figures as of the time when unemployment compensation laws were enacted within the States, giving to the unemployed sufficient money to pay for rent, clothing, utilities, and food. There was no provision for the purchase of automobiles or other things of that kind. The hope was that all workers would be encouraged to repair their houses, if they owned houses, with their savings. Otherwise their savings would be frozen.

Mr. FERGUSON. Has the Senator attempted, by fixing a figure of \$35 a week for a man or a woman with three dependents, to establish a minimum wage of \$35 a week?

Mr. KILGORE. No.

Mr. FERGUSON. Is not that the effect of such an amount from the Government as compensation for unemployment?

Mr. KILGORE. I do not understand the Senator's theory. The bill would provide \$35 a week for a family of four or more.

Mr. FERGUSON. Yes.

Mr. KILGORE. Not \$35 for each person.

Mr. FERGUSON. I said a person with three dependents.

Mr. KILGORE. Three or more dependents. A minimum of \$35 would be provided for such families. The best way to figure it is on the basis of \$20 for an unemployed individual.

Mr. FERGUSON. I am wondering what would happen in this kind of a case: Suppose there were two men living side by side, each with three dependents, and each out of work. Suppose one could get a job at \$30 a week. The other could receive \$35 a week by reason of being unemployed. The Work Administrator would have absolute discretion to say to the one, "You go to work at \$30 a week" and to the other, "You stay at home at \$35 a week." What is the answer to that?

Mr. KILGORE. I wish to consider that point for a moment. That matter would not be left up to the Work Administrator. Under a specific provision in the bill the decision in that case would be vested in the individual State in which the worker lived, if the State were to elect to accept and if the work was suitable and appropriate. If the man is only worth \$30 a week, and if that is the standard wage in his community, naturally he would be required to accept it. The bill does not say he must receive more than he has been drawing. It provides for the payment of what shall be suitable. That determination is left up to the judgment of the Unemployment Compensation Commissioner or his board in the State involved.

Mr. FERGUSON. Does not the bill give to the Work Administrator the right to say who shall go to work, when he shall go to work, and whether the employment is suitable?

Mr. KILGORE. No; that is to be administered by the State agencies.

Mr. FERGUSON. I should like to have the Senator point out the particular language of the bill which gives that authority to the State agencies.

Mr. KILGORE. The Committee on Military Affairs saw that point arising, and amended the original bill, which the Senator probably has on his desk, so as to provide that the decision as to the suitability of employment and the matter of violation of employment rules would rest with the State agencies.

Mr. GEORGE. Mr. President, let me ask the Senator if provision is not made for an appeal back to the work agency, the proposed Retraining and Reemployment Administration.

Mr. KILGORE. Certainly.

Mr. GEORGE. Is there not to be a final appeal to the agency which would be set up under the terms of the bill?

Mr. KILGORE. Certainly. Is not the principle that there must always be opportunity to appeal the foundation upon which our Government is laid?

Mr. GEORGE. Yes; but the Senator was proceeding to say that the State officials and State agencies would decide those questions. The Senator said that in answer to the question of the Senator from Michigan, whereas the whole scheme of the bill is to put the final authority in the Federal agency which is proposed to be created.

Mr. KILGORE. On page 28 of Senate bill 2061—and I mention this with particular reference to the questions asked by the Senator from Michigan—the following words will be found:

(b) Within 10 days after the appointment of a Work Administrator pursuant to this act, such Administrator shall afford to each State an opportunity to participate in the administration of the "interim placement benefits" provided by this title. A State shall be permitted to participate upon agreement, pursuant to the authorization contained in the unemployment-compensation law of such State to enter into a reciprocal agreement with an appropriate agency of the Federal Government, (i) to receive all claims for "interim placement benefits"; (ii) to adjudicate such claims—

Note that—

in accordance with regulations prescribed by the Work Administrator, or forward such claims to another State or Federal agency as may be appropriate; (iii) to pay, subject to partial reimbursement from the Federal Government as hereinafter set forth from funds withdrawn from the State account in the Unemployment Trust Fund, any claim—

And so forth.

Mr. FERGUSON. Mr. President, is there not also in the bill a provision for an appellate tribunal to pass upon the question, and then is it not to be finally decided by the Work Administrator?

Mr. KILGORE. Yes; an appeal to the Director is provided for, certainly.

Mr. FERGUSON. If that is true, then would he not have the absolute right to say that one man must go to work or else not receive compensation, but that another man would not have to go to work, but could receive compensation? If we vest this power in the national Director, could we not make the situation a political one, so that one man who was favorable to the party in power could receive \$30 a week and not work, while another man would have to work for his \$30 a week?

Mr. KILGORE. Let me reply in the Yankee method of the Senator from

Michigan, who has been a judge in the State of Michigan, as I have been a judge in the State of West Virginia, and who, I know from his reputation in Michigan, did not decide that a man was guilty merely upon the basis of his political beliefs. The Senator's policy was also my policy in the State of West Virginia; we decided cases upon the basis of the general rules and the general working policies. It is presumed that the man who is to be in charge will be as honest as was the distinguished Senator from Michigan when he was on the bench, and as I hope my friends in my home State think I was when I was on the bench. Of course, I am not discussing what some newspapers might have said about the two of us.

Mr. FERGUSON. Mr. President, I might reply to the Senator's comment by saying that there is a great difference between the administration of justice in the courts, as constituted in America, and the administration of matters before boards and directors appointed by political subdivisions of the National Government. I think the Senator from West Virginia and I will both agree that these matters become political because they involve political questions, whereas decisions in courts are not political questions, although we have had some decisions which were political.

Mr. KILGORE. Would the Senator contend that the decisions of the Court of Claims or of the Patent Court or of the Supreme Court of the United States or the United States district courts or the United States courts of appeal were political? The judges of all those courts are nominated by the President and confirmed by the Senate. Under that procedure I have had the great privilege of voting for the confirmation of a district judge in my State. He was nominated by a President who is a member of my political party. Would the distinguished junior Senator from Michigan infer that that distinguished judge in my State would yield to me on a question of purely political import in deciding how a case should be adjudged, or would the Senator agree that the judge would follow the precedents laid down and the general rules applied, and at least would endeavor to save some small portion of his reputation as an American citizen?

Mr. FERGUSON. Mr. President, I can only take the words of some of the judges of the Supreme Court in respect to the matter of following precedents, in the last few months. I think that would answer the Senator's question. Although we say that the courts do not follow public opinion and political activities, we also know that they do not entirely disregard them.

Mr. KILGORE. Let me call the Senator's attention to the fact that in my early boyhood a case of butter was called a firkin of butter. But today it is called a case of butter. If, today, I were to order a firkin of butter, I would receive a case of butter, and I would be charged the price of a case of butter. No court would dispute the fact that, although I ordered a firkin of butter, I received a case of butter; and the fact that in the preceding period a different name was

used would not change the present decision.

Mr. FERGUSON. Mr. President, I think we are getting a little far afield.

Mr. KILGORE. Yes; I admit that I am getting into the matter of butter.

Mr. FERGUSON. I should like to read what the committee estimated the cost would be; I think I have the Senator's statement before me, I ask him to correct me if I am wrong:

The cost of unemployment compensation and relief in the 2½ years following the defeat of Germany can be estimated to be \$2,000,000,000 during the first 6 months—\$6,000,000,000 during the next year and \$10,000,000,000 during the following year; a total of \$18,000,000,000. The annual rate at the end of the second year would total \$12,500,000,000.

I shall read now what I understand to be the Senator's statement of his belief regarding the situation and the effect of the bill:

If this bill is passed—although the benefits would be almost twice as much per family—the cost would still be less. In view of the dependency and previous earning restrictions, the benefits under this bill would average \$1,250 per year. The costs would be as follows if this bill is passed: Six months following surrender of Germany, \$1,100,000,000; first year following end of war, \$3,500,000,000; second year, \$3,200,000,000; a total cost of \$7,800,000,000.

If the rate were raised it would be possible to eliminate entirely any loss to the Nation, according to this statement. Is that true?

Mr. KILGORE. No; it is not true. If the Senator from Michigan will study the conversion report of the committee of which he is a member—the Truman committee—concerning the first efforts at conversion which were unguided and uncontrolled, not centralized, he will obtain the answer to the question he has propounded. We had a terrible time getting refrigerator companies, for instance, to build parts for airplanes, and in getting automobile companies to build airplanes or airplane engines. They said they simply could not do such things. However, when we finally obtained complete coordination by the creation of the War Production Board and by putting in the plants men in charge of airplane production, we obtained what we were after.

I think the Senator misinterprets the theory or the purpose. It is not contemplated that the uniform benefits alone will do this work. It is contemplated that the planning, the centralized control, and the failure to create any great body of persons who cannot buy enough necessary food and clothing will tend to cut down the amount of unemployment. If 10,000,000 persons in the United States become unemployed, without having any relief provided for them so as to enable them to buy sufficient food and clothing for their needs, the result will be, in turn, that within 30 days an additional 5,000,000 workers will be without employment, by reason of the fact that the first 10,000,000 unemployed will be unable to buy the articles of production they normally would buy, and thus the plants engaged in producing such articles will be forced to shut down.

But if the reconversion is handled in an orderly manner, the only benefits which will be paid will be those paid during the conversion period, plus those paid to a certain number of workers who may become unemployable.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. FERGUSON. How was the figure of \$35 a week arrived at, in relation to the figures which I have given and which I understand the Senator has given?

Mr. KILGORE. The original figure of \$35 a week was based upon an estimate of 75 percent of a certain amount of income. That was under the figures furnished to the committee. Based upon the testimony of the various witnesses, it showed the minimum under which a person could operate a home, pay light, water, and fuel bills, clothes, and buy food for a family of four.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. KILGORE. I yield.

Mr. FERGUSON. In order to arrive at the weekly wage rate, the Senator has taken a quarter of the year during which the highest wage was received during the past 3 years. He has then taken one-thirteenth of the highest quarter in order to arrive at the weekly rate. Is it the committee's contention, or is it the contention of the Senator from West Virginia, that today everyone is earning 75 percent of what he earned during the highest quarter of the year in which he was employed during the war period? We must consider that the weekly wage rate to which the Senator has referred is not for 40 hours a week, but for 52, 56, or even 60 hours a week. Many men are now being reduced to 40 hours a week which, in effect, reduces their wages to a point even below the 75 percent which has been mentioned. This proposal would give men 75 percent of their highest weekly wage received during the quarter of the year in which they earned the most money during the war. Is that statement not true?

Mr. KILGORE. Yes; it is. The Senator has stated the customary method used in computing those matters ever since the Social Security Act was passed. The amount to be received was based upon the highest quarter of wage receipts in any period. The question raised by the Senator requires me to state that those who will draw \$35 a week will far exceed the 75-percent figure. The Senator can establish that fact by going to his own city of Detroit and checking the earnings there of workers in the plants.

I should also like to ask whether any Member of the United States Congress—I shall not limit it to the Senate—can honestly say that on the basis of his salary as a Member of Congress, with taxes and deductions taken out of his pay, and exclusive of any outside income, he has actually earned a living during the war period.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. AIKEN. As I read the bill, it appears to me that no one would receive \$35 a week unless he had three or more

dependents, and unless he had been earning approximately \$47 a week or more.

Mr. KILGORE. The Senator is correct.

Mr. AIKEN. If he had earned \$80 a week he would still receive less than half of what he had been earning, instead of 75 percent of what he had been earning.

Mr. KILGORE. That is correct.

Mr. AIKEN. I believe there has been considerable misunderstanding with regard to that matter. There has been an understanding in some quarters that the recipient of benefits under the bill would receive 75 percent of what he had earned during his highest earning quarter. However, from a reading of the bill, that does not appear to be the fact. If a man had no dependents at all he would not receive 75 percent of what he had earned during the highest quarter, unless he had been earning about \$27 a week or less.

Mr. KILGORE. I thank the Senator. His statement is correct. As an illustration, may I say that in the State of Connecticut, for example, the State would pay \$22 more to the unemployed individual than would be paid under this bill.

Mr. GEORGE and Mr. PEPPER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from West Virginia yield, and if so, to whom?

Mr. KILGORE. I yield first to the Senator from Georgia.

Mr. GEORGE. The maximum pay would be \$22, but it would not be anything like payment for full-time employment 52 weeks of the year. It would be limited as to time, and also as to the percentage of the average earned wage.

Mr. KILGORE. The Senator is correct. It would not be very much, but it would be something if a man happened to be sleeping out in the open, and his stomach demanded food, and his body demanded raiment.

I now yield to the Senator from Florida.

Mr. PEPPER. Mr. President, I was about to invite attention to a little table which I have had the benefit of examining. The table shows that a veteran with no dependents would receive \$20 a week. This figure represents the maximum available to a civilian with no dependents. A veteran with three or more dependents would receive \$35, and that would be the maximum available to a civilian with three dependents.

A civilian would receive a maximum of 75 percent of his former wage, and a civilian with no dependents would in no case receive more than \$20 a week. Only a civilian with three or more dependents, and whose former wage was \$48 or more a week could receive the maximum benefit of \$35.

The table then proceeds to show that the veteran with no dependents would receive \$20 a week. A civilian worker with a former weekly wage for the base period of \$12 a week would receive \$9 a week. With a former wage of \$20 a week he would receive \$15. With a former wage of \$36 a week he would receive \$20, and with a former wage of \$48 or more a week, he would receive \$20. A man with one dependent would receive \$25. A

civilian with a weekly wage of \$12 and with one dependent would receive \$9; with a weekly wage of \$20 he would receive \$15; with a weekly wage of \$36 he would receive \$25 a week; and with a weekly wage of \$48 or more he would receive \$25.

With two or three dependents the veteran would continue to receive a \$5 increase—\$30 or \$35. However, the civilian who had been making only \$12 a week during his base period, no matter how many dependents he had, would receive only \$9 a week.

Also, if the civilian had been making only \$20 a week during his base period, no matter how many dependents he had, he would not receive more than \$15 a week. It is only when the civilian has made \$36 a week during the base period that he would receive more than \$20. If he had only one dependent he would receive \$25. If he had two dependents he would receive \$27 and if he had three or more dependents he would still receive but \$27. If he had received \$48 or more a week during the base period, and had three or more dependents, he would then receive \$35 a week.

Mr. KILGORE. I thank the Senator.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a summary of the benefits available under the bill to veterans and to civilian workers during the post-war readjustment period.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Summary of benefits available to veterans and to covered civilian workers during the post-war readjustment period

Status of unemployed individual	Veterans	Civilian workers, former weekly wage (base period)			
		\$12	\$20	\$36	\$48 and up
No dependents.....		\$20	\$9	\$15	\$20
1 dependent.....		25	9	15	25
2 dependents.....		30	9	15	27
3 or more dependents.....		35	9	15	27

Mr. KILGORE. Mr. President, the amendment now before the Senate does more than provide to the temporarily unemployed the means needed to purchase the output of our farms and industries. This measure would immediately aid in stabilizing war production. It has already been noted that wherever there is an opportunity for them to do so people are leaving their work because they have no assurance in the future of returning to civilian jobs.

The section of the bill providing for vocational training will take care of those who were called out of their various lines of endeavor, and who will be unable to find work after the war. The objective of the bill can be stated in two phrases, namely, full production and full employment. The provisions are equally

simple. The responsibility to achieve full employment and production is, for the first time, centralized in a single office of the Federal Government. Authority over other Federal agencies concerned with procurement and production is lodged in that office. The office is provided with a technical staff to advise the director of the office, the Congress, and the President, on the existing programs of the Federal agencies. It will determine whether they are geared to the principal objective, that of maintaining full production and employment. If they are not, it will propose such additional programs as will ensure that end. Realizing that the participation of all sections of the Nation is required if we are to maintain full production and employment during the war and following the peace, the bill provides for a national production-employment board. This board will be appointed by the President, by and with the advice and consent of the Senate, and will be representative of industry, labor, and agriculture. Through regular meetings with the director and the administrators, this board will make available to the Government the best thinking of management, labor, and agriculture. But it will do more. Participation on an advisory basis will ensure the wholehearted cooperation of the principal segments of the Nation's economic life in the development of national policy. In order that the national production-employment board remain continually informed, the Murray-Kilgore bill provides that the chief of the bureau of programs and projects serve as executive secretary to the board and inform the board of all relevant data. Provision is made also for similar boards on a regional and community level and, where appropriate, for specific industries.

The second title of the bill establishes the procedure for maintaining war production in the face of the sharply changing needs dictated by battlefield experience, and sets out the manner in which facilities and manpower no longer needed for military production are to be reconverted to the production of civilian goods. The bill provides that, subject to the review of the Director, the Chairman of the War Production Board shall coordinate the procurement activities of the services and the agencies. After military requirements are insured, decisions affecting cut-backs, location of new contracts, relaxation of restrictive orders, and similar matters, will be made so as to insure the maintenance of facilities in full production. The War Production Board Chairman will formulate these policies and procedures with the aid of the war production and reconversion committee. I may add that the Chairman of the War Production Board has substantially these powers now under Executive order. This bill will give them explicit legislative sanction. This section provides further for safeguards for small business, and it lays down the principle that the protection of the competitive positions of certain producers, or groups of producers, shall not be a basis for delaying resumption of production by others.

In years gone by I used to hear the age-old slogan "rugged individuality," and I used to think when I heard that expression that the lion in his jungle and the tiger in his lair were great advocates of rugged individuality, but it certainly was tough on the rabbit and the ground squirrel.

Mr. President, we are now in the final throes of winning the war, a war whose seeds were planted in insecurity, want, and shortages. Entire nations have waded through blood and fire and suffered starvation and deportation before the Fascist beast, which grew strong on hunger, has been brought to bay. By our actions here we shall in large measure determine whether all this has been in vain. Destiny has placed its finger on us. What shall be the judgment of history? That is the question before this body. Shall our answer be that under our institutions a man shall not have the right to work, the right to earn his bread, the right to security for himself and his family? Shall we say that this marvelous engine of production, developed under the stress of war, this engine which upset the calculations of the best minds of the German General Staff, of the German ruler, and of the rulers of all the world, and which completely set at naught all preconceived notions of production, must be allowed to fall into disrepair? Shall we say that millions must be separated from productive labor and be condemned to penury? If this be the answer, then I fear that the institutions for which we fought will not last very long. Let us rather have faith. We can banish unemployment in peace as well as in war. Let that be our answer.

This bill as amended may not be the final answer, it may not be a complete answer; in all probability it is not; no piece of legislation was ever perfect; but it sets the goal and proclaims our faith that it can be done. It sets our course on the highway to peace and security. Let us take that road, for the other leads back to hunger, to isolation, to war, and mayhap, to revolution.

Mr. AIKEN. Mr. President, before the Senator sits down I should like to have a little further explanation of section 307 (a) on page 19 which reads:

SEC. 307. (a) Whenever he deems it necessary, in order to give effect to the objectives of this title, the Work Administrator is authorized to provide to any person vocational free education or training, of not more than 6 months of full-time study or its equivalent in part-time study in addition to any free education or training now provided by law.

Mr. President, it appears to me that this section under some circumstances could lend itself to great abuse. Under the G. I. bill, as I recall, the ex-service man or woman is permitted to elect the school which he or she will attend and the course of study which he or she will follow; but under this section it appears to me that the Work Administrator might say to any person on the unemployment roll, "I have a job for you but I have got to send you to a school for 6 months before you can take it," and he could choose the school to which to send him and prescribe the course of studies

which he must follow, whether painting, plumbing, mechanical engineering, or philosophy. Then if the unemployed person says "I do not want to go to that school and I do not want to study those subjects," the Director might say, "Very well, then, you come off the rolls, and you do not get any more unemployment compensation." Has the Senator any good explanation for that paragraph?

Mr. KILGORE. The Senator from Vermont must realize that the training of the worker must be agreed to by the worker. No worker can be compelled to accept the training prescribed by the Director. Take the case of a veteran. If this proposal should be adopted the veteran really would have an election. If he wanted to go into trade and get a job, through this bill he could do it, or he could accept the provisions of the G. I. bill, and take the training provided therein. He is not limited merely to one. We found after the last war that a great number of our boys simply could not become lawyers and doctors, and so forth. They wanted trade experience. The great trouble in some States was in providing proper trade schools in which to train them. I think the New England States were probably better than other States; as I recall they set up regular trade training schools after the last war. But in a number of the States—and mine happened to be one of them—we farmed out the applicants like we used to farm paupers to the poor farm, and as a result they got no training. Under this proposal they would have an election.

Mr. AIKEN. I do not question the Senator's motives in the least; I know, or think I know, what he intends to do by this paragraph; but it seems to me to be perfectly possible for the Director to say to an unemployed person, "Go to this school and study what I tell you to study or you will come off the unemployment roll." It appears to me that this section, if it remains in the bill, should be clarified so that the Director could not do that.

Mr. KILGORE. That may be true. The intent of those who drafted the bill was only to provide for training where training was necessary in order that a man might get the job he wanted. In other words, if he wanted a job and was not trained for it, he could get the training necessary for that job, if it was the only suitable one to be found for him. The provision possibly may need to be perfected by amendment, and I should like to look it over.

Mr. GEORGE. Mr. President, at this time in order that we may have before us tomorrow a proper statement of the issues, in the main, that will be presented to the Senate, I offer an amendment to the first amendment proposed by the Senator from Montana [Mr. MURRAY]. I send the amendment to the desk and ask that it be printed overnight, but I desire to offer it formally now, so that it may be the pending question tomorrow.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia to the amendment of the Senator from Montana will be received, printed, printed in the RECORD, and lie on the table.

The amendment intended to be proposed by Mr. GEORGE to the amendment offered by Mr. MURRAY is as follows:

SEC. 102. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the Director). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of 2 years.

(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion:

(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

(2) Surplus War Property Administration, created by Executive Order No. 9425, and any surplus war property administration hereafter created by statute.

(3) Retraining and Reemployment Administration, created by Executive Order No. 9427, and any similar office or administration created in this or any other act.

Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to other agencies not specifically placed within his office.

*(c) In addition to any powers which the President may delegate to him for the purpose of more effectively coordinating the mobilization of the Nation for war, and for the purpose of more effectively attaining the objectives of this act, the Director shall, subject to the direction of the President—

(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace in such a manner as to achieve the objectives of this act;

(2) issue such directives to other executive agencies as may be necessary to carry out their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the directives of the Director expeditiously and, to the extent necessary to carry out such directives, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities which are not within the scope of the powers possessed by the President or the executive agencies under existing law or future Acts of the Congress;

(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

(4) promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between such executive agencies in the development and administration of such plans;

(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of such agencies as now exist under Executive order only, and for the relaxation or removal of emergency war controls;

(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive

agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning methods of achieving the objectives of this Act; and

(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this Act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such deputy directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Director may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this act, and each Government agency shall furnish any information and reports so required.

SEC. 103. There is hereby created an advisory board, the members of which shall be appointed by the President, by and with the advice and consent of the Senate, and which shall include three representatives of industry, three representatives of labor, three representatives of agriculture, and three public members, one of whom shall be Chairman.

It shall be the general function of the board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary to achieve the objectives of this act.

Members of the board shall receive a per diem allowance of \$25 for each day spent in the actual performance of duty, plus necessary traveling and other expenses incurred while so engaged.

SEC. 104. (a) There is hereby established a Special Joint Committee on Post-war Adjustment (hereinafter referred to as the "committee") to be composed of four Members of the Senate (not more than two of whom shall be members of the majority party) to be appointed by the President of the Senate, and four Members of the House of Representatives (not more than two of whom shall be members of the majority party) to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members. The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The committee may utilize such voluntary and uncompensated services as it deems necessary, and is authorized to utilize the services, in-

formation, facilities, and personnel of the departments and agencies of the Government. The expenses of the committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman.

(b) It shall be the function of the committee—

(1) to make a full and complete study and investigation with regard to legislation on demobilization and post-war adjustment in cooperation with such public and private agencies and such persons as it might see fit to consult;

(2) to consult with the President and the Director on the need for legislation on demobilization and post-war adjustment;

(3) to consult with the appropriate standing committees in the Senate and in the House of Representatives on the preparation of demobilization and post-war adjustment legislation, and on methods of obtaining expeditious action on demobilization and post-war adjustment legislation by achieving coordination among, and avoiding duplication of effort between, such committees; and

(4) to study and review each report submitted to the Congress by the Director, and otherwise maintain continuous surveillance of the operations of the Director and other executive agencies under this act.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

SEC. 201. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the continuation of some or all of the work under any such contract will benefit the Government or is necessary to avoid substantial injury to a plant or property.

SEC. 202. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

(b) the Government agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production of nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

(c) the Director shall—

(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

(2) establish policies providing for full consultation between the Government agencies, war contractors, and the representatives of the employees of war contractors

with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

Sec. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from achieving reasonable economies of operations in such production.

(b) Whenever such Government agency allocates available material for the production of any item or group of items for nonwar use, it shall set aside a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation.

In allocating the materials thus set aside among such small plants, such Government agency shall follow the criteria, standards, quotas, schedules, or other conditioning factors to be established by the chairman of the board of directors of the Smaller War Plants Corporation. For the purposes of this title, a small plant means any small business concerned engaged primarily in production or manufacturing either employing 250 wage earners or less, or coming within such other categories as may be established by the head of such Government agency in consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such other categories shall be defined by taking into consideration the comparative sizes of establishments in a particular industry as reflected by sales volumes, quantities of materials consumed, capital investments, or by other criteria which are reasonably attributable to small plants rather than medium- or large-size plants.

Sec. 204. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

TITLE III—RETRAINING AND REEMPLOYMENT

Sec. 301. There is hereby established a Retraining and Reemployment Administration (hereinafter referred to as the "Administration"), the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, shall be exercised by a Retraining and Reemployment Administrator (hereinafter in this title referred to as the "Administrator"), to be appointed by the Director of War Mobilization and Reconversion, at a salary of \$12,000 per annum.

Sec. 302. With the assistance of a Retraining and Reemployment Policy Board, composed of a representative of the Department of Labor, the Federal Security Agency, the War Manpower Commission, the Selective Service System, the Veterans' Administration, the Civil Service Commission, the War Department, the Navy Department, and the War Production Board, it shall be the function of the Administration—

(a) to have general supervision and direction of the activities of all Government agencies relating to the retraining and reemployment of persons discharged or released from the armed services or other war work, including all work directly affected by the cessation of hostilities or the reduction of the war program; to issue necessary regulations and directions in connection therewith;

(b) in consultation with the Government agencies concerned, to develop plans and programs relating to such retraining and reemployment.

Sec. 303. The Administrator shall have power to provide transportation, including transportation of dependents and household effects for civilian workers who have been employed in activities essential to the war effort, from the place of such employment to the location of their bona fide residence within the continental United States prior to their migration to war employment, or, at the election of such worker, to any other location of new employment arranged by the worker: *Provided*, That the cost of such transportation shall not exceed \$200 for any one worker, his dependents, and household effects, and shall not exceed the amount allowable for civilian employees of the several departments and independent establishments of the Federal Government in the Standard Government Travel Regulations.

Sec. 304. The War and Navy Departments shall discharge from the armed forces of the United States the men and women serving therein during the present war as rapidly as the appropriate department determines that the services of such persons are no longer needed for the prosecution of the war or for the national defense, and shall not retain such persons in the armed forces merely for the purpose of preventing unemployment or awaiting opportunities for employment.

Sec. 305. The Administrator shall confer with all existing Federal, State, and local agencies and officials in charge of existing programs relating to vocational education, vocational rehabilitation, training in industry, and other similar programs, and secure the expansion of such programs when and if necessary. If he finds that such expansion cannot be secured, or can only be secured by additional Federal legislation or assistance, he shall recommend to Congress such appropriations and legislation as he considers necessary to carry out the provisions of this act.

Sec. 306. The Administrator shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Administrators and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Assistant Administrators and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Administrator shall perform the duties imposed upon him through the facilities and personnel of other Government agencies.

Mr. GEORGE. Mr. President, since the question of the cost of this measure has been brought up, and not because anyone can vouch for the authenticity of all the figures, for they are based on predictions that may or may not come true, I should like now to read a statement from the Social Security Board furnished me today by Dr. Altmeyer. I think perhaps these figures are the most dependable ones that could be obtained, but in order to understand the figures at

all it is necessary to note carefully the assumptions underlying the estimates of cost of Senate bill 2061.

It is not known what military and economic events will take place in the future; but it is necessary to assume certain events in order to establish the conditions under which an estimate can be made. Thus, an estimate is not a forecast. For the purpose of this analysis the following basic assumptions have been made:

That the war with Germany will be over by about the end of the year 1944.

That the war with Japan will last through 1945 and will end at approximately the end of that year.

That this legislation would take effect January 1, 1945—

Reference is to the Military Affairs Committee bill—

and would cease on December 31, 1947.

That is to say that it would really be in operation only from January 1, 1945, to December 31, 1947.

That unemployment will be about 2,000,000 at the end of 1944; will rise to 4,000,000 by the end of 1945, and still further to 8,000,000 by the end of 1946, after which it will decline to 4,000,000 by the end of 1947. This estimate is based upon the underlying assumption that a public works program will pick up the slack in employment if private industry does not succeed in doing so.

That the armed forces will constitute 11,000,000 persons at the end of 1944, 9,000,000 at the end of 1945, 5,000,000 at the end of 1946, and 3,000,000 at the end of 1947.

That the return of ex-servicemen to civilian life will be partially offset in the labor market by the withdrawal of some of the emergency workers drawn into the labor market during the war in such a way that the total civilian labor force available for employment will be 53,000,000 persons at the end of 1944, 55,000,000 at the end of 1945, 57,000,000 at the end of 1946, and 59,000,000 at the end of 1947.

That the average ex-serviceman will be a man with one dependent so that the average benefits paid to ex-servicemen will be \$25 per week; while the average civilian worker, making allowances for dependents, will receive benefit payments of \$21 per week.

That Federal Government employment will be reduced to pre-war levels by December 31, 1947.

That the States will collect contributions on present coverage at the average rates now prevailing.

Those are the assumptions, Mr. President, together with the following:

That the States will collect contributions on the extended coverage at a rate of 2.7 percent of pay rolls during the period 1945–47.

On the basis of the above assumptions, and with the addition of certain minor estimates and adjustments, the attached tables of estimated costs have been prepared.

Mr. President, I wish to make it clear that it is only an estimate, and I agree with Dr. Altmeyer that it is a difficult estimate. But his estimate discloses, without enumerating all the factors, that the total additional cost of S. 2061—and bear in mind he is dealing here now only with the additional cost of unemployment compensation payments, not the other costs of the bill—the total additional cost of S. 2061 is \$10,405,000,000. There would be a further additional cost for ex-servicemen's benefits in 1948 of about \$150,000,000, but these figures are not included in the table.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GEORGE. Permit me to finish, and then I shall be glad to answer any questions.

I wish to read further what Dr. Altmeyer says:

In the short time available to us we have found it impossible to make careful estimates of the probable costs of these bills. The data presented in the tables represent only crude estimates based upon the best assumptions we could make at this time. A detailed list of our main assumptions is set forth in the attached document.

Which I have read.

I must emphasize that the costs set forth here are not our predictions. If a different volume of unemployment is assumed, then the costs may be higher or lower than set forth here. The important point is to establish a relationship between the volume of unemployment and the probable costs.

You will note that the extra costs of S. 2061 over and beyond existing obligations of the States and the benefits payable under the G. I. bill to the ex-servicemen would amount to about \$10,400,000,000. This estimate is based upon a peak of unemployment of 8,000,000 workers at the end of 1946, reduced to 4,000,000 by the end of 1947. Of course, the actual unemployment which we may experience might be as low as half these amounts, and, on the other hand, it might be twice as high.

If that condition existed the total cost of the Military Affairs Committee bill over and above all payments for unemployment compensation made by the States, over and above all payments made under the G. I. bill to over 11,000,000 men and women in the armed forces, would be \$21,000,000,000.

I will now be glad to answer the question the Senator from Vermont wishes to ask.

Mr. AIKEN. I was simply going to ask the Senator from Georgia what period of time was covered by the ten-billion-dollar cost, but I think he has answered that question since I rose. It would be from January 1, 1945, through the year 1947, for the 3-year period.

Mr. GEORGE. Mr. Altmeyer assumes that the bill would become effective not earlier than January 1, 1945, and these cost figures are based on the operations under the bill through the year 1947.

Mr. AIKEN. And that would be an average of a little over \$3,000,000,000 a year, and that is over and above the amount which will have to be paid any way under the G. I. bill.

Mr. GEORGE. Under the G. I. bill and by the States.

Mr. BARKLEY. May I ask a question at that point?

Mr. GEORGE. Certainly.

Mr. BARKLEY. Did Dr. Altmeyer base his figures upon the assumption that the law would operate from January 1, 1945, to December 31, 1947, which would be a 3-year period instead of a 2-year period as provided in the bill?

Mr. GEORGE. He based it upon the assumption that the legislation would take effect January 1, 1945, and would cease on December 31, 1947.

Mr. BARKLEY. That contemplates a 3-year period. Of course December 31, 1946, would end the 2-year period beginning January 1, 1945.

Mr. GEORGE. Not unless hostilities had all ceased, because the bill is in effect for 2 years after the cessation of hostilities or the end of the war. I take the two terms to be synonymous.

Mr. BARKLEY. I was wondering whether he contemplates a 3-year period as the basis for his figures.

Mr. GEORGE. No. I was going to offer the tables without reading them. He makes his estimates by years. He says that as of 1945, existing benefit obligations of States under their laws are \$700,000,000; additional Federal benefits to workers now covered under State laws, \$1,360,000,000; Federal benefits to workers not now covered under State laws, \$590,000,000; Federal Government workers' benefits, \$290,000,000; ex-serv-

icemen's benefits under the G. I. bill—that is only for 1945—\$45,000,000; additional under Senate bill 2061, \$15,000,000; total additional costs of S. 2061 for 1945 is \$2,255,000,000; total cost in 1945, \$3,000,000,000.

Without reading all through the tables, in 1946 the total additional cost of S. 2061 would be \$4,050,000,000. In 1947 it would be \$4,100,000,000. Making a total of \$10,405,000,000 for 1945, 1946, and 1947.

Mr. President, I ask that the tables may be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—Estimates of cost of S. 2061 under certain assumptions

Year	Existing benefit obligations of States under their laws (in millions)	Additional Federal benefits to workers now covered under State laws (in millions)	Federal benefits to workers not now covered under State laws (in millions)	Federal Government workers' benefits (in millions)	Ex-servicemen's benefits		Total additional costs of S. 2061 (in millions)	Total cost (in millions)
					Under G. I. bill (in millions)	Additional under S. 2061 (in millions)		
1945.....	\$700	\$1,360	\$590	\$290	\$45	\$15	\$2,255	\$3,000
1946.....	1,400	2,330	960	640	350	120	4,050	5,800
1947.....	1,200	2,490	940	500	500	170	4,100	5,800
Total.....	3,300	6,180	2,490	1,430	895	1,305	10,405	14,600

¹ There would be a further additional cost for ex-servicemen's benefits in 1948 of about \$150,000,000. These figures are not included in the table.

TABLE 2.—Distribution of costs between the Federal Government and the States under specified conditions

Year	Federal benefit payments to ex-servicemen and Federal Government workers (table 1, columns 4, 5, and 6) (in millions)	State benefit payments to all other workers (table 1, columns 1, 2, and 3) (in millions)	Federal reimbursements to States when benefit payments exceed 2.7 percent of covered pay rolls (in millions)	Total State unemployment reserves at end of year (in millions)
1945.....	\$350	\$2,650	0	\$4,820
1946.....	1,110	4,690	\$760	2,320
1947.....	1,170	4,630	2,610	1,850
Total..	2,630	11,970	3,370	.....

Mr. BARKLEY. I did not gather from the reading of the letter whether Dr. Altmeyer bases the additional costs upon an estimated percentage of unemployment among the ex-servicemen and also war workers. It seems that there would have to be some percentage basis. If we contemplated otherwise, it would be difficult to estimate what it would cost in any 1 year.

Mr. GEORGE. He estimates it on total unemployment.

Mr. BARKLEY. On total unemployment?

Mr. GEORGE. Yes; but reaching its peak at 8,000,000 persons, and then there would be a decline in subsequent years.

Mr. BARKLEY. But he based the figures on the assumption that everyone coming back from war, either from the Army, the Navy, or war plants would be unemployed.

Mr. GEORGE. No.

Mr. KILGORE. I should like to have the unemployment figures stated again.

Mr. BARKLEY. I do not understand what he means by total unemployment.

Mr. GEORGE. Let me read again. These are assumptions which the board must necessarily make and project. If the assumptions are not correct, of course, the figures must vary. Among the assumptions and without reading them all, it is assumed—

That unemployment will be about 2,000,000 at the end of 1944; will rise to 4,000,000 by the end of 1945, and still further to 8,000,000 by the end of 1946, after which it will decline to 4,000,000 by the end of 1947. This estimate is based upon the underlying assumption that a public-works program will pick up the slack in employment if private industry does not succeed in doing so.

That the armed forces will constitute 11,000,000 persons at the end of 1944, 9,000,000 at the end of 1945, 5,000,000 at the end of 1946, and 3,000,000 at the end of 1947.

In other words, it is assumed by the Board that 3,000,000 men will remain in the armed forces after 1947, or at the end of 1947. It is also assumed that the return of ex-servicemen to civilian life will be partially offset in the labor market by the withdrawal of some of the emergency workers who have been drawn into the labor market. I call attention now,—because I expect to stress it tomorrow and later—to the fact that the emergency workers will be eligible for the full unemployment compensation benefits unless they announce, upon the loss of their jobs, that they do not care to register or to accept another job. Although they went in as emergency workers, they will be eligible for unemployment compensation benefits, unless they can be otherwise employed.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Vermont?

Mr. GEORGE. I yield.

Mr. AIKEN. Does the Senator have any information as to the number of unemployed in the country at the present time?

Mr. GEORGE. No; I have not.

Mr. AIKEN. I was surprised at the estimate of 2,000,000 unemployed at the end of 1944.

Mr. GEORGE. In justice to the Board, it must be borne in mind that they made another assumption, which I stated, namely, that the war with Germany will be over about the end of 1944. I presume that is an assumption which affects the figure of about 2,000,000 idle by the end of 1944.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. OVERTON. I assume from what the Senator just stated that the Board proceeded upon the assumption that all the personnel of the armed forces, 11,000,000 in number, will be out of employment.

Mr. GEORGE. Oh, no.

Mr. OVERTON. The figure of 11,000,000 was stated.

Mr. GEORGE. That was to indicate the rate of demobilization of the armed forces. It is assumed that that rate will obtain. It could not be assumed that all of them would be unemployed, because the peak unemployment, including civilian workers and soldiers, is placed at 8,000,000 in this estimate. The number may be less.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. KILGORE. The Senator stated that the total over-all figure might be 50 or 100 percent more or less. Are the figures based upon actual estimates of 2,000,000, 4,000,000, or 8,000,000, or are they based upon 50 percent less, or 100 percent more?

Mr. GEORGE. As I understand, the estimate is based upon the actual figures given. Dr. Altmeyer calls attention to the fact—and I think we should bear it in mind—that he is not prophesying or saying that what he assumes will be the situation; but assuming that it will be, he furnishes these estimates. He takes that precaution. Of course, the actual unemployment which we may experience may be as low as half these amounts. On the other hand, it may be twice as high. He is simply taking a figure which probably represents to the Board the best ascertainable estimate at the present time.

Mr. KILGORE. Would not the question of unemployment be based largely upon available jobs, which, of course, would be based upon the amount of production?

Mr. GEORGE. Oh, yes.

Mr. KILGORE. And, of course, the buying power of the Nation being the incentive to production, it would necessarily govern production.

Mr. GEORGE. I understand the theory on which the bill is drawn. The bill heads up all the spending-to-create-purchasing-power doctrines which have prevailed in America during the past few years. I heard my good friend speak very eloquently of Dr. Hansen. Everyone knows Dr. Hansen's philosophy, namely, that we can spend and create purchasing power, borrow in order to spend, and simply pay back the interest, because we are borrowing from ourselves. Of course, if that doctrine be sound, if we would only spend enough there could never be any unemployment.

Mr. President, I believe that the amendment which is pending is an amendment only to the first amendment offered by the Senator from Montana [Mr. MURRAY].

The PRESIDING OFFICER. The Senator is correct.

Mr. GEORGE. In that connection I wish to make this statement: I believe that this amendment draws the vital distinction between the corresponding titles of the two bills in about as clear a way as it can be presented, and indicates precisely the difference in theory as to the administrative machinery and the powers vested in the officials under the one bill, as contrasted with comparable provisions in the other bill. The first three titles constitute the heart of the Military Affairs Committee bill, and of the amendment which I am offering, which may be called a substitute, because it does not differ in all particulars by any means.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BARKLEY. As I understand the parliamentary situation, the Senator from Montana [Mr. MURRAY] offered the Military Affairs Committee bill as an amendment to the Senator's bill; and to that amendment the Senator has now offered what is on our desks as a committee print.

Mr. GEORGE. Not wholly; only a part of it. In other words, the amendment now offered is an amendment to the first amendment offered by the Senator from Montana, but it really represents the substance of the difference in viewpoint on this legislation.

Mr. BARKLEY. The Senator has split his amendment, known as the committee print of the amendment to Senate bill 2061, and has offered a part of it.

Mr. GEORGE. Only a part of it, namely, the first three titles, with some changes. That, of course, was necessitated by the fact that it was necessary for the Senator from Montana to split his amendment, which he did.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF THE EDUCATION AND LABOR COMMITTEE

Mr. THOMAS of Utah, from the Committee on Education and Labor, reported

favorably the nomination of Frieda S. Miller, of New York, to be Director of the Women's Bureau, United States Department of Labor.

The PRESIDING OFFICER (Mr. JACKSON in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

DIRECTOR OF CONTRACT SETTLEMENT

The legislative clerk read the nomination of Robert H. Hinckley to be Director of Contract Settlement.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SELECTIVE SERVICE

The legislative clerk read the nomination of Lt. Col. Frank J. Killilea to be State procurement officer of Selective Service for Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc, and that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc; and without objection, the President will be notified forthwith of all nominations confirmed this day.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 31 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, August 9, 1944, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations, confirmed by the Senate August 8, 1944:

DIRECTOR OF CONTRACT SETTLEMENT

Robert H. Hinckley to be Director of Contract Settlement for a term of 2 years.

SELECTIVE SERVICE

Lt. Col. Frank J. Killilea to be State procurement officer of Selective Service for Alaska under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

IN THE ARMY

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

To be general

Joseph Warren Stilwell

To be major generals

Robert Tryon Frederick

Jens Anderson Doe

To be brigadier generals

Gerald Joseph Higgins

Maurice Wiley Daniel

James Alward Van Fleet

George Arthur Taylor

Charles Draper William Canham

Hugh French Thomason Hoffman

John Huston Church

William O'Dwyer

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

78th-2nd, No.124

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued August 10, 1944, for actions of Wednesday, August 9, 1944)

(For staff of the Department only)

CONTENTS

Demobilization.....	4,5	Personnel.....	4	Reconstruction Finance	
Flood control.....	3	Post-war planning.....	4,5	Corporation.....	1
Labor.....	6	Price control.....	2	Social security.....	4

SENATE

1. RECONSTRUCTION FINANCE CORPORATION.. Received RFC's May 1944 report. To Banking and Currency Committee. (p. 6874.)
2. PRICE CONTROL. Received OPA's 9th quarterly report for period ended Mar. 31, 1944. To Banking and Currency Committee. (p. 6874.)
3. FLOOD CONTROL. Sen. Hayden, Ariz., submitted an amendment which he intends to propose to H.R.4485, the Whittington flood control bill (p. 6874)..
4. SOCIAL SECURITY; PERSONNEL. Continued debate on S. 2051, to amend the Social Security Act. (Sen. Murray, Mont., submitted several modifying amendments to his amendment to incorporate the language of S. 2061, providing for a program of war mobilization and post-war adjustment, in S. 2051. (pp. 6880-901.) Sen. Chavez, N.Mex. inserted James G. Patton's (National Farmers' Union) letter favoring this bill (pp. 6880-1).

HOUSE

NOT IN SESSION. Next meeting Thurs., Aug. 10.

COMMITTEE HEARINGS Released by G.P.O.

5. POST-WAR PLANNING; DEMOBILIZATION. S.1730, S.1893, and S.2061, relating to mobilization and demobilization. Pt.10, Senate Military Affairs Committee.

ITEM IN FEDERAL REGISTER August 10, 1944

6. LABOR. WMC's rescission of order establishing critical occupations list (p. 9710).

o - o

For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

- o -



S. 2051

IN THE SENATE OF THE UNITED STATES

AUGUST 8, 1944

Ordered to be printed

AUGUST 9 (legislative day, AUGUST 8), 1944

Modified and ordered to be printed

AMENDMENTS

Proposed by Mr. MURRAY (for himself and Mr. KILGORE)
to the bill (S. 2051) to amend the Social Security Act,
as amended, viz: On page 1, line 2, after the enacting clause,
insert the following:

1 “TITLE I—GENERAL PROVISIONS

2 “SEC. 101. The Congress hereby declares that the objec-
3 tives of this Act are—

4 “(a) to facilitate maximum war production during
5 the war and to expedite the transition from war to peace;

6 “(b) to achieve full employment, rising standards
7 of living, and effective utilization of the Nation's resources
8 during the period of transition from war to peace, and
9 thereafter; and

1 “(c) to provide for the development of unified plans
2 and projects and adequate machinery to achieve the
3 foregoing objectives.

4 “SEC. 102. (a) There is hereby established in the
5 Executive Office of the President, the Office of War Mobiliza-
6 tion and Adjustment (hereinafter called the ‘Office’), which
7 shall be headed by the Director of War Mobilization and
8 Adjustment (hereinafter called the ‘Director’). The Di-
9 rector shall be appointed for a term of two years by the
10 President, by and with the advice and consent of the
11 Senate, and shall receive compensation at the rate of \$15,000
12 per year.

13 “(b) There is hereby established in the Office of War
14 Mobilization and Adjustment a Division of Programs and
15 Projects to be headed by a Deputy Director, who shall be
16 appointed for a term of two years by the President, by and
17 with the advice and consent of the Senate, and shall receive
18 compensation at the rate of \$10,000 per year. It shall be
19 the function of the Deputy Director and the Division of
20 Programs and Projects to assist the Director in discharging
21 his responsibilities under subsection (c) of this section.

22 “(c) In addition to any authority which the President
23 may delegate to him, the Director shall, subject to the direc-
24 tion of the President and with the assistance of the Deputy
25 Director—

1 “(1) formulate or cause to be formulated plans to
2 meet the problems of war mobilization and post-war
3 adjustment in such a manner as to achieve the objec-
4 tives of this Act;

5 “(2) issue such directives on policy, plans, and
6 operations to other Government agencies as may be
7 necessary to carry out, and to coordinate their activities
8 in connection with, such plans, and review the programs
9 and activities of other Government agencies with respect
10 to war mobilization and post-war adjustment. Each
11 Government agency shall carry out the directives of the
12 Director expeditiously, and, to the extent necessary there-
13 for, shall modify its operations and procedures and pre-
14 scribe further regulations with respect thereto. Nothing
15 contained in this section shall be construed as authorizing
16 any activities to carry out any plan formulated under
17 this section which are not within the scope of the powers
18 possessed by the President or the Government agencies
19 under the Constitution or under provisions of law other
20 than this section;

21 “(3) recommend to the Congress appropriate legis-
22 lation to carry out plans developed by him but not
23 authorized to be carried out under existing law;

24 “(4) evaluate and report on current and projected
25 public and private activities affecting war mobilization

1 and peacetime full production and employment; survey
2 continuously the necessity for such additional programs of
3 legislation as will achieve the objectives of this Act; pro-
4 mote and assist in the development of war mobilization
5 and post-war adjustment plans and surveys by other Gov-
6 ernment agencies; such surveys shall include (without
7 being limited thereto) programs and measures for public
8 works, housing, taxation, industrial and regional develop-
9 ment, expansion of foreign trade, social security, and the
10 maintenance of competitive enterprise; develop proce-
11 dures to inform each Government agency of proposed
12 war mobilization and post-war adjustment plans and pro-
13 posals related to its work which are being developed or
14 carried out by any other Government agency; and settle
15 controversies between Government agencies in the de-
16 velopment and administration of their plans or plans de-
17 veloped by the Director;

18 “(5) make or cause to be made studies which will
19 enable him to determine the need for (A) simplifying,
20 consolidating, or eliminating Government agencies estab-
21 lished for purposes of the war emergency, and (B) re-
22 establishing by statute or terminating agencies which
23 exist under Executive order only and for the relaxation or
24 removal of emergency war controls;

1 “(6) institute a specific study of the present func-
2 tions of the various Government agencies in the field
3 of manpower, and develop a program for reorganizing
4 and consolidating such agencies to the fullest extent
5 practicable;

6 “(7) survey continuously all rules, regulations, and
7 orders issued by any Government agency exercising
8 control over manpower, production, or materials, for
9 the purpose of determining whether any such rules,
10 regulations, or orders prevent or hinder the full employ-
11 ment of the Nation’s manpower by private employers
12 capable and desirous of resuming, expanding, or initi-
13 ating production for nonwar use. Whenever the Direc-
14 tor determines that any such rule, regulation, or order
15 so prevents or hinders full employment and is not
16 required for the purpose of insuring production for war
17 purposes, he shall direct such Government agency to
18 rescind, modify, or amend such rule, regulation, or
19 order;

20 “(8) consult and cooperate with State and local
21 Governments, industry, labor, agriculture, and other
22 groups, both national, regional, and local, concerning
23 methods of achieving the objectives of this Act; and

24 “(9) submit reports to the President, the Senate,
25 and the House of Representatives on the first days of

1 January, April, July, and October, on the activities
2 undertaken by him under this Act. Such reports shall
3 summarize and appraise the activities of the various
4 Government agencies in the fields of war mobilization
5 and post-war adjustment, and may include such legisla-
6 tive proposals as he may deem necessary or desirable.

7 “(d) The Director shall, within the limits of funds which
8 may be made available, employ and fix the compensation
9 of such Assistant Directors and other officers and employees,
10 and may make such expenditures for supplies, facilities, and
11 services as may be necessary to carry out his functions and
12 the functions of the Office. All such officers and employees
13 shall be appointed in accordance with the civil-service laws
14 and their compensation fixed in accordance with the Classifi-
15 cation Act of 1923, as amended, except that Assistant Direc-
16 tors and expert administrative, technical, and professional
17 personnel may be employed and their compensation fixed
18 without regard to such laws. To the fullest extent practicable
19 the Director shall perform the duties imposed upon him
20 through the facilities and personnel of other Government
21 agencies. The Director may require such reports and in-
22 formation from other Government agencies as he deems
23 necessary to enable him to carry out his functions under
24 this Act, and each Government agency shall furnish any
25 information and reports so required.

1 “SEC. 103. (a) There is hereby created a National Pro-
2 duction-Employment Board (hereinafter in this title called
3 the ‘Board’), the members of which shall be appointed by
4 the President, by and with the advice and consent of the
5 Senate, and which shall include three representatives of in-
6 dustry, three representatives of labor, three representatives of
7 agriculture, and one public member who shall be Chairman.
8 An alternate for each member of the Board other than the
9 Chairman shall be appointed by the President, by and with
10 the advice and consent of the Senate, to sit and act for such
11 member when authorized by such member to sit and act for
12 him. The Board shall, by a majority vote of its members,
13 determine the rules of its procedure, except as otherwise
14 defined by this Act, and the powers conferred on the Board
15 by this Act may be exercised by a majority vote.

16 “(b) It shall be the general function of the Board to
17 review the programs and activities of the Director and other
18 Government agencies with respect to war mobilization and
19 post-war adjustment and make to the President, the Con-
20 gress, and the Director such recommendations relating to
21 legislation, policies, and procedures as it may deem necessary
22 to achieve the objectives of this Act.

23 “(c) The Deputy Director shall serve as the executive
24 secretary of the Board. He shall prepare, upon request of
25 the Board, such reviews of plans, reports, and studies, and

1 shall secure for the Board and each individual member
2 thereof such other information from the Director, as may be
3 necessary to enable the Board to discharge its functions under
4 this Act.

5 “(d) The Director, the Chairman of the War Production
6 Board, and such other Federal officials performing functions
7 subject to direction by the Office, as shall be designated by
8 the Board, shall meet with it at least once a month at such
9 times as may be designated by the Chairman of the Board to
10 consult and advise with it on all basic policies and pro-
11 grams which are subject to direction by the Office.

12 “(e) In order to provide for the effective cooperation
13 of industry, agriculture, and labor with respect to the war
14 mobilization and post-war adjustment problems of particular
15 industries and areas, the Director, with the advice and con-
16 sent of the Board, shall—

17 “(1) establish industry advisory councils for the
18 various industries, and area advisory councils for various
19 geographic areas, which are substantially and directly
20 affected by the policies, programs, and operations of Gov-
21 ernment agencies performing functions subject to the
22 jurisdiction of the Office: *Provided*, That full information
23 on all such councils shall be submitted to the Attorney
24 General and no such councils shall continue any opera-
25 tions or activities which the Attorney General finds and

certifies to the Director tend to promote the restraint of trade or the extension of monopoly;

“(2) appoint and fix the number of the members of such councils. The members of such councils shall be representative in the industry concerned or area concerned, as the case may be, of industry, labor, and wherever appropriate, agriculture;

“(3) define the industries or areas with respect to which such councils, respectively, shall have jurisdiction:

“(4) prescribe rules and regulations governing the organization, procedures, and operations of such councils; and such rules and regulations shall contain appropriate provisions protecting confidential Government information and preventing the operations of such councils from unduly interfering with or delaying the operations of Government agencies; and

“(5) prescribe rules and regulations governing the extent to which Government agencies performing functions subject to the jurisdiction of the Office shall consult and advise with such councils with respect to the formulation and execution of policies and programs affecting the industries or areas represented by such councils.

“(f) All appointments of members or alternates to the Board, and of members of the area and industry advisory

1 councils, may be made without regard to any of the pro-
2 visions of law with respect to the appointment and compen-
3 sation of employees of the United States. Members and
4 alternates of the Board shall serve without remuneration,
5 except for per diem allowances as shall be prescribed by the
6 Director, not to exceed \$25 each day spent in the actual
7 performance of duty, plus necessary traveling and other
8 expenses incurred while so engaged.

9 “(g) The Director, through the facilities of the Office,
10 shall provide the Board with such technical and clerical staff
11 as may be necessary.

12 "TITLE II—INDUSTRIAL DEMOBILIZATION AND
13 RECONVERSION

14 “SEC. 201. Subject to the provisions of this Act, any
15 contracting agency shall terminate contracts for war produc-
16 tion whenever in the opinion of the agency the performance
17 under such contracts will not be needed for the prosecution
18 of the war, and shall not continue performance under such
19 contracts merely for the purpose of providing business and
20 employment, or for any purposes other than the prosecution
21 of the war, unless the continuation of some or all of the work
22 under any such contract will benefit the Government or is
23 necessary to avoid substantial injury to the plant or property.

24 “SEC. 202. Curtailments of war production or termina-
25 tions of war contracts shall be integrated and synchronized

1 with the expansion, resumption, or initiation of production
2 for other war purposes, and to the greatest extent compatible
3 with the effective prosecution of the war, of production for
4 non-war use. To effectuate this policy—

5 “(a) the contracting agencies shall continuously
6 survey their product and material requirements and
7 report to the Chairman of the War Production Board, in
8 such form and detail as he may determine, on current
9 and anticipated changes in requirements and on all
10 anticipated curtailments of war production or termina-
11 tions of war contracts.

12 “(b) the War Production Board and other Govern-
13 ment agencies exercising control over manpower,
14 production, or materials shall permit the expansion,
15 resumption, or initiation of production for non-war use
16 whenever such production does not require materials,
17 components, facilities, or labor needed for war purposes,
18 or will not otherwise adversely affect or interfere with
19 the production for war purposes. Permission to produce
20 any item or group of items for non-war use shall not
21 be restricted to plants previously engaged in the pro-
22 duction of such items or group of items, and shall not be
23 withheld from any plant for the reason that any other
24 plant is occupied with war contracts and cannot there-

1 fore produce such item or group of items for nonwar
2 use at that time.

3 “(c) the Chairman of the War Production Board
4 shall, subject to the direction of the Director—

5 “(1) establish a Production Adjustment Com-
6 mittee which shall consist of representatives of the
7 Department of War, the Department of the Navy,
8 the Maritime Commission, the Reconstruction Fi-
9 nance Corporation, the Foreign Economic Admin-
10 istration, the War Manpower Commission, the Office
11 of Price Administration, and of the War Production
12 Board (including the Chairman of the Board of
13 Directors of the Smaller War Plants Corporation,
14 the Vice Chairman for Civilian Requirements, and
15 the Vice Chairmen for Labor Production and Man-
16 power Requirements), and such other representa-
17 tives of Federal agencies as the Director may desig-
18 nate, and shall advise and consult with the Produc-
19 tion Adjustment Committee with respect to the
20 functions vested in him by this section;

21 “(2) establish policies and procedures to be fol-
22 lowed by the contracting agencies in the curtail-
23 ment, nonrenewal, and termination of contracts, to
24 include as he may deem necessary the submission of
25 detailed programs for approval;

1 “(3) establish policies and procedures providing
2 for full consultation between the contracting agen-
3 cies and prime contractors, and to the extent feasible
4 with subcontractors, with respect to the selection
5 of subcontracts for curtailment, nonrenewal, or ter-
6 mination;

7 “(4) establish policies and procedures for pro-
8 viding war contractors and their employees with
9 notice of curtailments in war production or termina-
10 tion of war contracts as far in advance of curtail-
11 ment or termination as is feasible and consistent
12 with the national security without permitting un-
13 needed production or performance;

14 “(5) consult with other Government agencies,
15 war contractors and subcontractors, and the repre-
16 sentatives of the employees of war contractors with
17 regard to obtaining the most effective use in other
18 war production or in production for nonwar use of
19 facilities and manpower released through curtail-
20 ments in war production or terminations of war
21 contracts.

22 “(d) Subsection (a) of section 11 of the Contract Set-
23 tlement Act of 1944 is hereby repealed.

24 “SEC. 203. (a) Whenever the expansion, resumption,
25 or initiation of production for non-war use is authorized by

1 any Government agency having control over manpower,
2 production, or materials, on a restricted basis, the restric-
3 tions imposed shall not be such as to prevent any small
4 plant capable and desirous of participating in such expan-
5 sion, resumption, or initiation of production for non-war use
6 from so participating in such production.

7 “(b) There is hereby created in the Office of War Mo-
8 bilization and Reconversion a Board of Appeals to consist
9 of three members appointed by the President by and with
10 the advice and consent of the Senate, each of whom shall
11 receive compensation at the rate of \$10,000 per year, and
12 shall serve for a term of two years. When any person is
13 aggrieved by the action of any such Government agency
14 referred to in subsection (a) in allocating available materials
15 for the production of any item or group of items for non-war
16 use, such person shall, upon application therefor under such
17 regulations as the Director may prescribe, be afforded an
18 opportunity forthwith to present his views thereon at a
19 hearing before the Board of Appeals. If, at such hearing,
20 such person establishes to the satisfaction of the Board of
21 Appeals that as a result of such action his business operations
22 will be seriously interfered with or substantially curtailed
23 because of a shortage of any material necessary to such
24 operations, that his inability to continue business operations
25 will result in a serious unemployment problem for his em-

1 ployees, or that the interests of the consumers of the articles
2 produced or manufactured by such person will be substan-
3 tially impaired, the Board of Appeals shall make an im-
4 mediate report thereon to the Director. Thereupon the
5 Director shall allocate to such person such amounts of the
6 material with respect to which the shortage exists as in his
7 judgment will be necessary to prevent substantial hardship
8 to such person, his employees, or consumers.

9 "SEC. 204. The Attorney General is directed to make
10 surveys for the purpose of determining any factors which
11 may tend to eliminate competition, create or strengthen
12 monopolies, injure small business, or otherwise promote
13 undue concentration of economic power in the course of war
14 mobilization and during the period of transition from war to
15 peace and thereafter. The Attorney General shall submit
16 to the Congress within ninety days after the approval of this
17 Act, and at such times thereafter as he deems desirable,
18 reports setting forth the results of such surveys and including
19 recommendations for such legislation as he may deem neces-
20 sary or desirable.

21 "TITLE III—RETRAINING AND REEMPLOYMENT
22 OF WAR WORKERS AND RETURNING
23 SERVICEMEN

24 "SEC. 301. The Congress hereby declares that the ob-
25 jectives of this title are—

1 “(a) To facilitate the most effective mobilization and
2 maximum utilization of the Nation’s manpower in the
3 prosecution of the war;

4 “(b) To maintain maximum employment in the tran-
5 sition from war- to peace-time production;

6 “(c) To provide for the coordination of the demobiliza-
7 tion of servicemen with employment opportunities under a
8 policy of demobilizing servicemen as rapidly as the military
9 situation permits;

10 “(d) To provide necessary training of ex-servicemen
11 and war workers; and

12 “(e) To provide the necessary economic assistance to
13 returning ex-servicemen and war workers in connection
14 with transfer, training, and reemployment.

15 “SEC. 302. There is hereby created a Retraining and
16 Reemployment Administration to be headed by an Admin-
17 istrator who shall be appointed for a term of two years by
18 the President by and with the advice and consent of the Sen-
19 ate, and who shall receive a compensation of \$12,000 per
20 annum. It shall be the function of the Administrator of the
21 Retraining and Reemployment Administration (hereinafter
22 referred to as the Work Administrator), subject to the dis-
23 cretion and control of the Director, to establish a unified
24 reemployment program covering recruitment, training, trans-
25 fer, and placement of returning servicemen and workers in

1 war and civilian production. The reemployment program
2 shall include provision for compiling full detail on declining
3 and increasing employment opportunities (by industrial seg-
4 ments, geographic areas, and plants) resulting from curtail-
5 ment in war production and resumption of civilian production;
6 for placement of workers in appropriate employment; and
7 for interim financing of workers, including returning service-
8 men, pending placement in accordance with the authority of
9 this title. The Work Administrator shall prescribe regula-
10 tions and issue directives to Government agencies necessary
11 to effectuate the objectives of this title and all such Govern-
12 ment agencies shall be governed by these.

13 "SEC. 303. The Work Administrator shall consult and
14 advise with a Committee on Retraining and Reemployment,
15 consisting of one representative from each of the following:
16 Department of Labor, Veterans' Administration, War Man-
17 power Commission, Federal Security Agency, War Produc-
18 tion Board, Selective Service System, Civil Service Commis-
19 sion, War Department, Navy Department, and such other
20 Federal agencies as the Work Administrator may designate.

21 "SEC. 304. (a) The War Production Board and other
22 agencies having data on production changes and employ-
23 ment opportunities shall furnish the Work Administrator full
24 information on current and projected schedules of military

1 and civilian production in such detail as the Work Admin-
2 istrator shall deem necessary.

3 “(b) The War and Navy Departments shall furnish data
4 on current and projected rates of discharge of servicemen
5 providing such details concerning the servicemen as the
6 Work Administrator may deem necessary and is practicable
7 for the War and Navy Departments to furnish. It shall be
8 the duty of the War and Navy Departments to anticipate so
9 far as practicable, the forward programs of demobilization
10 of servicemen, and to cooperate with the Work Administrator
11 in furnishing such data on such demobilization as military
12 security permits.

13 “(c) The War and Navy Departments shall discharge
14 from the armed forces of the United States the men and
15 women serving therein during the present war as rapidly
16 as the appropriate department determines that the services
17 of such persons are no longer needed for the prosecution of
18 the war or for the national defense, and shall not retain
19 such persons in the armed forces merely for the purpose
20 of preventing unemployment or awaiting opportunities for
21 employment.

22 “SEC. 305. To the fullest extent practicable, the Work
23 Administrator shall perform the duties imposed upon him
24 through the facilities and personnel of other Government
25 agencies. The Work Administrator may require such reports

1 and information from other Government agencies as he
2 deems necessary to enable him to carry out his functions
3 under this title, and each Government agency shall furnish
4 any information and reports so required.

5 "SEC. 306. (a) In order to facilitate the recruitment,
6 training, transfer, and placement of workers and ex-service-
7 men, the United States Employment Service and such other
8 Government agencies as may be designated by the Work
9 Administrator, are hereby authorized, upon application there-
10 for, to pay the cost of transportation of workers and ex-
11 servicemen, including transportation of dependents and
12 household effects, from their last previous residence to new
13 jobs, in accordance with such regulations as may be
14 prescribed by the Work Administrator: *Provided*, That such
15 allowances shall not exceed the allowances provided for
16 Government employees except that a fare for dependents
17 may be paid.

18 "(b) The United States Employment Service shall be
19 continued as a nationally operated system of public employ-
20 ment offices for a period of two years after the termination
21 of hostilities.

22 "SEC. 307. (a) The Work Administrator, through the
23 United States Commissioner of Education, is authorized and
24 directed to assist the States, through such agencies as may
25 be designated therefor by each State, in determining the need

1 for, and in developing programs of, vocational guidance and
2 training for gainful employment of workers in nonmilitary
3 production, and in preparing plans for the acquisition and
4 utilization of surplus Government-owned property for such
5 vocational guidance and training. He may, by agreement
6 with the Commissioner of Education and the several State
7 agencies under the Federal State Vocational System, pro-
8 vide for the payment, either in advance or by reimburse-
9 ment, for the administrative expenses as well as the expenses
10 of training authorized under this Act; and, through such
11 agency or agencies as he may designate, provide in like
12 manner for payment of maintenance allowances.

13 “(b) In order to fit any unemployed person who is a
14 qualified employee in accordance with the provisions of
15 section 310, the United States Commissioner of Education
16 and such other Government agencies as may be designated
17 by the Work Administrator are authorized to provide, in
18 accordance with such regulations as shall be prescribed by
19 the Work Administrator, to any person selected in accord-
20 ance with such regulations, free vocational education or
21 training of not more than six months of full-time study or
22 training, or the equivalent in part-time study or training
23 which does not duplicate any free education or training
24 otherwise available.

25 “(c) Every person, while he is receiving vocational edu-

1 cation or training on a full-time basis, shall be entitled to
2 receive a maintenance allowance equal to the amount he
3 would receive if he were entitled to interim placement bene-
4 fits, but in no event less than \$12 a week if he has no
5 dependent, \$18 if he has one dependent, and \$24 if he
6 has two or more dependents. The Work Administrator
7 may provide for maintenance allowances, under such con-
8 ditions and in such amounts as may be prescribed by regu-
9 lations, to servicemen and civilian workers receiving edu-
10 cation or training on a part-time basis; but no such allow-
11 ance shall be paid to any person receiving training on the
12 job.

13 "SEC. 308. Section 2 of the Mustering-Out Payment Act
14 of 1944 is amended to read as follows:

15 "SEC. 2. Mustering-out payment for persons eligible
16 under section 1 shall be made in equal monthly installments.
17 The first installment shall be paid at the time of final dis-
18 charge or ultimate relief from active service, and the remain-
19 ing installments shall be paid in successive months thereafter.
20 Each installment shall be at the rate of \$100 if the member
21 of the armed forces has no dependent, \$125 if he has one
22 dependent, and \$150 if he has two or more dependents. All
23 persons shall be entitled to two installments plus an addi-
24 tional installment for each year of active service or major
25 fraction thereof. Any person who has served outside the

1 continental limits of the United States or in Alaska shall be
2 entitled to a further additional installment.'

3 "SEC. 309. (a) Every unemployed qualified employee
4 (as defined in section 310) shall be entitled, upon regis-
5 tration in accordance with regulations to be prescribed by the
6 Work Administrator, at a public employment office desig-
7 nated by him, to placement in suitable employment if
8 available.

9 "(b) 'Interim placement benefits' shall be paid to
10 any qualified employee (as defined in section 310) with
11 respect to each week of unemployment or part week of
12 unemployment occurring during the period beginning the
13 third calendar month after the date of enactment hereof
14 and ending with the last day of the twenty-fourth calendar
15 month following the termination of war: *Provided*, That,
16 for a person who is an ex-serviceman, benefits shall accrue
17 for unemployment occurring in the twenty-four calendar
18 months after his discharge or release from military service, if
19 such twenty-four calendar months shall end subsequent to
20 the twenty-four calendar months following the termination
21 of the war. For a qualified employee the 'interim place-
22 ment benefit' payable for a week of unemployment in any
23 benefit year shall be 75 per centum of 'weekly wages':
24 *Provided, however*, That these amounts shall be rounded
25 upwards to the nearest dollar, but shall not in any event

1 exceed \$20 for an individual if he has no dependents, \$25
 2 if he has one dependent, \$30 if he has two dependents, and
 3 \$35 if he has three or more dependents: *Provided further,*
 4 That for a qualified employee who is an ex-serviceman, the
 5 'interim placement benefit' payable for a week of unemploy-
 6 ment shall be \$20 if such ex-serviceman has no dependent,
 7 \$25 if he has one dependent, \$30 if he has two dependents,
 8 and \$35 if he has three or more dependents: *And provided*
 9 *further,* That the benefit rate of a qualified employee in any
 10 benefit year shall be not less than the rate established in the
 11 first benefit year for such employee.

12 "The 'interim placement benefit' payable for a part week
 13 of unemployment in any benefit year shall be one-fifth of
 14 the benefit for a week of unemployment multiplied by the
 15 number of days of unemployment in excess of two in such
 16 week.

17 "(c) There shall not be considered as a day of unem-
 18 ployment, with respect to any employee—

19 "(i) any day on which he fails to maintain, in ac-
 20 cordance with regulations prescribed by the Work Ad-
 21 ministrator, a registration at a public employment office;

22 "(ii) any Sunday not preceded by a day of un-
 23 employment and unless it be the last day of a week
 24 of unemployment or a part week of unemployment, not
 25 followed by a day of unemployment; and

1 “(iii) any day in any period with respect to which
2 he is receiving or has received annuity payments or
3 pensions under the Railroad Retirement Act of 1935
4 or the Railroad Retirement Act of 1937 or insurance
5 benefits under title II of the Social Security Act, or
6 annuities under the Civil Service Retirement Act, or a
7 vocational education or training allowance under this
8 title, or unemployment benefits under an unemployment
9 compensation law of any State or of the United States:
10 *Provided*, That if any such payment is less in amount
11 than the ‘interim placement benefits’ under this Act
12 which, but for this paragraph, would be payable with
13 respect to such period, the preceding provisions of this
14 paragraph shall not apply but such ‘interim placement
15 benefits’ shall be diminished in the amount of such other
16 payments.

17 “(d) There shall not be considered as a day of unem-
18 ployment, with respect to any employee, any day in a period
19 of not more than five weeks, beginning with a day with
20 respect to which the agency administering benefits finds
21 that—

22 “(i) he failed, without good cause, to accept suit-
23 able work available on such day and offered to him, or
24 to comply with instructions from a public employment

1 office to apply for such work or to report, in person, or
2 by mail, as directed, to such office;

3 “(ii) he was properly discharged or suspended for
4 misconduct related to his employment;

5 “(iii) he left work voluntarily, without good cause;

6 “(iv) subject to the provisions of subsection (e) of
7 this section, his unemployment was due to a stoppage of
8 work because of a strike in the establishment, premises,
9 or enterprise at which he was last employed;

10 “(v) he knowingly made, or aided in making, or
11 caused to be made any false or fraudulent statement or
12 claim for the purpose of causing benefits to be paid.

13 The length of the periods of disqualification, within the
14 limit of five weeks specified above, with respect to the
15 findings herein set forth shall be fixed by regulations
16 prescribed by the Work Administrator.

17 “(e) The disqualification provided in section 409 (d)
18 (iv) of this Act shall not apply if the agency administering
19 benefits finds that—

20 “(i) the employee is not directly interested in the
21 labor dispute which causes the stoppage of work; and

22 “(ii) he does not belong to a grade or class of
23 workers of which, immediately before the commence-
24 ment of the stoppage, there were members employed

1 in the establishment, premises, or enterprise at which
2 the stoppage occurs, any of whom are directly inter-
3 ested in the labor dispute: *Provided*, That if separate
4 types of work are commonly conducted in separate
5 departments of a single enterprise, each such department
6 shall, for the purposes of this subsection, be deemed
7 to be a separate establishment, enterprise, or other
8 premises.

9 “(f) No work shall be deemed suitable for the purposes
10 of this section, and benefits shall not be denied under this
11 Act to any otherwise qualified employee leaving work volun-
12 tarily or for refusing to accept work if—

13 “(1) the position offered is vacant due directly to
14 a strike, lock-out, or other labor dispute;

15 “(2) the remuneration, hours, or other conditions
16 of work offered are substantially less favorable than
17 those prevailing for similar work in the locality, or the
18 rate of remuneration is less than the union wage rate, if
19 any, for similar work in the locality;

20 “(3) as a condition of being employed he would be
21 required to join a company union or to resign from or
22 refrain from joining any bona fide labor organization;

23 “(4) acceptance of the work would require him to
24 engage in activities in violation of law or which, by
25 reason of their being in violation of reasonable require-

1 ments of the constitution, bylaws, or similar regulations
2 of a bona fide labor organization of which he is a mem-
3 ber, would subject him to expulsion from such labor
4 organization; or

5 “(5) acceptance of the work would subject him to
6 loss of substantial seniority rights under any collective-
7 bargaining agreement between a bona fide labor organi-
8 zation and any other employer.

9 “(g) In determining whether an employee has good
10 cause for a voluntary separation from suitable work or a failure
11 to apply for or accept an offer of suitable work, the agency
12 administering benefits shall consider, in addition to such other
13 factors as he deems relevant, (1) the current practice, recog-
14 nized by management and labor with respect to such work;
15 (2) the degree of risk involved to such employee's health,
16 safety, and morals; (3) his physical fitness and prior train-
17 ing; (4) his experience and prior earnings; (5) his length
18 of unemployment and prospects for securing work in his
19 customary occupation; and (6) the distance of the available
20 work from his residence and from his most recent work.

21 “(h) No otherwise qualified employee shall be denied
22 interim placement benefits because of a refusal to make
23 application for or accept transportation, training, or educa-
24 tion authorized by sections 306 and 307 of this Act.

25 “(i) Any officer or agency of an employer, or any

1 employee representative, or any employee acting in his own
2 behalf, or any person whether or not of the character here-
3 inbefore defined, who shall willfully fail or refuse to make
4 any report or furnish any information required by the Work
5 Administrator or the agency administering benefits, as the
6 case may be, in the administration of this title, or who shall
7 knowingly make or aid in making or cause to be made any
8 false or fraudulent statement or report when a statement or
9 report is required to be made for the purposes of this title,
10 or who shall knowingly make or aid in making or cause
11 to be made any false or fraudulent statement or claim for
12 the purpose of causing benefits or other payment to be made
13 or not to be made under this title, shall be punished by
14 a fine of not more than \$10,000 or by imprisonment not
15 exceeding one year, or both.

16 “(j) Any person who violates any provision of this
17 title, the punishment for which is not otherwise provided, shall
18 be punished for each such violation by a fine of not more
19 than \$1,000 or by imprisonment not exceeding one year,
20 or both.

21 “SEC. 310. (a) A person shall be a ‘qualified employee’
22 if the Work Administrator or the agency administering bene-
23 fits, as the case may be, finds (i) that he served in the
24 active military or naval service of the United States at any
25 time after September 16, 1940, and prior to the termination

1 of the present war, and had been discharged or released
2 from active service under conditions other than dishonorable
3 or (ii) that since the beginning of the calendar year next
4 preceding the calendar year in which he first applies for
5 'interim placement benefits' and before making such appli-
6 cation he received wages of not less than \$150.

7 “(b) Within ten days after the appointment of a Work
8 Administrator pursuant to this Act, such Administrator shall
9 afford to each State an opportunity to participate in the
10 administration of the 'interim placement benefits' provided
11 by this title. A State shall be permitted to participate upon
12 agreement, pursuant to the authorization contained in the
13 unemployment compensation law of such State to enter
14 into a reciprocal agreement with an appropriate agency of
15 the Federal Government, (i) to receive all claims for
16 'interim placement benefits'; (ii) to adjudicate such claims
17 in accordance with regulations prescribed by the Work
18 Administrator, or forward such claims to another State or
19 Federal agency as may be appropriate; and (iii) to pay,
20 subject to reimbursement from the Federal Government as
21 hereinafter set forth any claim for 'interim placement benefits'
22 found payable in accordance with the regulations prescribed
23 by the Work Administrator. The Work Administrator shall,
24 whenever a State does not elect to pay 'interim placement
25 benefits', or may, wherever he deems it necessary, arrange

1 for the filing of claims for 'interim placement benefits' with
2 the Retraining and Reemployment Administration.

3 "The Railroad Retirement Board and the Unemploy-
4 ment Compensation Board of the District of Columbia shall
5 participate in the administration of 'interim placement bene-
6 fits.' Such Boards shall receive applications for 'interim
7 placement benefits', shall adjudicate such applications in ac-
8 cordance with regulations prescribed by the Work Admin-
9 istrator, or shall forward such applications to a State or Ter-
10 ritorial unemployment compensation agency as may be ap-
11 propriate and shall certify to the Secretary of the Treasury
12 for payment, from the appropriate account in the Unemploy-
13 ment Trust Fund, any part of a claim found payable in
14 accordance with regulations prescribed by the Work Admin-
15 istrator.

16 "(c) Any claimant whose claim for benefits has been
17 denied shall be entitled to a fair hearing before an impartial
18 tribunal of the State agency or such other agency administer-
19 ing benefits under this title.

20 "Whenever the Work Administrator believes that in the
21 administration of 'interim placement benefits' there is a denial,
22 in a substantial number of cases, of such benefits to individuals
23 entitled thereto, or a failure to comply substantially with any
24 provision of this Act, he shall request the Social Security
25 Board to make findings with respect thereto and, after reason-

1 able notice and opportunity for hearing to the State agency,
2 to report such findings to him. If the Board finds that there
3 is any such denial or failure to comply, the Work Adminis-
4 trator shall notify such State agency that further payments
5 under title III of the Social Security Act and under this
6 Act, will not be made to the State until he is satisfied that
7 there is no longer any such denial or failure to comply.
8 Until he is so satisfied, he shall make no further certification
9 to the Secretary of the Treasury with respect to such State.

10 "Final decision of the agency administering benefits
11 shall be communicated to the claimant and to other inter-
12 ested parties within fifteen days after it is made. Any claim-
13 ant and any labor organization, of which such claimant is a
14 member, duly authorized to represent employees in accord-
15 ance with the National Labor Relations Act or the Railway
16 Labor Act may, after all administrative remedies have been
17 availed of and exhausted, obtain a review of any final deci-
18 sion of such agency by filing a petition for review within
19 ninety days after the mailing of notice of such decision to
20 the claimant, or within such further time as the agency may
21 allow, in the United States district court for the judicial dis-
22 trict in which the claimant resides or in the United States
23 District Court for the District of Columbia. A copy of such
24 petition, together with the initial process, shall forthwith be
25 served upon the agency or any officer designated by it for

1 such purpose. Service may be made upon the agency by
2 registered mail, addressed to it. Within fifteen days after
3 receipt of service or within such additional time as the
4 court may allow, the agency shall certify and file with
5 the court in which such petition has been filed, a transcript
6 of the record upon which the findings and decision
7 complained of are based. Upon such filing the court shall
8 have exclusive jurisdiction of the proceeding and of the
9 question determined therein. It shall have power to enter
10 upon the pleadings and transcript of the record a decree
11 affirming, modifying, or reversing the decision of the agency
12 with or without remanding the case for rehearing. The
13 findings of the agency as to the facts, if supported by evi-
14 dence and in the absence of fraud, shall be conclusive. No
15 additional evidence shall be received by the court, but the
16 court may order additional evidence to be taken before the
17 agency, and the agency may, after hearing such additional
18 evidence, modify its findings of fact and conclusions and file
19 such additional or modified findings and conclusions with
20 the court, and the agency shall file with the court a tran-
21 script of the additional record. The judgment and decree
22 of the court shall be final, subject to review as in equity
23 cases.

24 "An applicant for review of a final decision of the
25 agency concerning a claim for benefits shall not be liable

1 for costs, including costs of service, or costs of print-
2 ing records, except that costs may be assessed by the court
3 against such applicant if the court determines that the pro-
4 ceedings for such review have been instituted or continued
5 without reasonable ground.

6 “(d) Each participating State agency, in consultation
7 with the Work Administrator, shall determine what amounts
8 would have been payable under the unemployment com-
9 pensation law of the State had the claims for ‘interim place-
10 ment benefits’ been claims made under such State law in
11 existence on the date of enactment of this Act. The Work
12 Administrator shall from time to time certify to the Secretary
13 of the Treasury for payment to each State the sums payable
14 to it under this Act. The Secretary of the Treasury through
15 the Fiscal Service of the Treasury Department, and prior
16 to audit or settlement by the General Accounting Office,
17 shall make payment or transfer in accordance with such
18 certification.

19 “In determining the amounts to which a State is entitled
20 under this Act, the Work Administrator shall consider reports
21 and estimates submitted by the unemployment compensation
22 agency of the State, and prior to making such determinations
23 shall afford such agency opportunity for consultation. Such
24 amounts may be determined by such statistical, sampling, or

1 other method as may be agreed upon by the Work Adminis-
2 trator and the State agency.

3 “The Railroad Retirement Board shall certify to the
4 Secretary of the Treasury, for payment, such claims for
5 ‘interim placement benefits’ as it finds properly payable
6 hereunder. Such payments shall be made from the Railroad
7 Unemployment Insurance Account. The Railroad Retire-
8 ment Board shall determine, in consultation with the Work
9 Administrator, what amounts would have been payable under
10 the Railroad Unemployment Insurance Act, if claims for
11 ‘interim placement benefits’ had been filed under such Act.
12 The Work Administrator shall from time to time certify to
13 the Secretary of the Treasury, for payment into the Railroad
14 Unemployment Insurance Account, the amount by which
15 the payments of ‘interim placement benefits’ made on cer-
16 tifications of the Railroad Retirement Board in the preceding
17 calendar quarter exceeded the payments which would have
18 been made from the Railroad Unemployment Insurance Ac-
19 count had claims for ‘interim placement benefits’ been claims
20 for benefits under the Railroad Unemployment Insurance
21 Act.

22 “The Work Administrator shall certify to the Secretary
23 of the Treasury, for payment, such claims for ‘interim place-
24 ment benefits’ as he finds properly payable hereunder and

1 which are filed directly with the Retraining and Reemploy-
2 ment Administration.

3 “(e) The Work Administrator shall, from time to time,
4 certify to the Secretary of the Treasury, for payment, to a
5 State or Territorial unemployment compensation agency, to
6 the District of Columbia Unemployment Compensation
7 Board, or to the credit of the Railroad Unemployment Insur-
8 ance administration fund, such amounts as he determines—

9 “(i) equal to the administrative expenses reasonably
10 incurred by such agency, or the District of Columbia
11 Unemployment Compensation Board, or the Railroad
12 Retirement Board in excess of the expenses which would
13 have been incurred by such agency or Board for the
14 administration of unemployment compensation benefits
15 had this title not been enacted; and

16 “(ii) have not been included in the basis of any
17 previous certification under this paragraph.

18 “The Social Security Board shall continue to make cer-
19 tification to the Secretary of the Treasury under section
20 302 (a) of the Social Security Act on the basis of deter-
21 minations by it as to what amounts would be necessary and
22 proper for the efficient administration of each State unem-
23 ployment compensation law had this title not been enacted.

24 “(f) Section 303 (c) of the Social Security Act, as

1 amended, is amended by changing the period at the end
2 thereof to a semicolon and adding the following:

3 'or

4 '(3) That payments of interim placement benefits
5 are not being made by such State agency pursuant
6 to and in accordance with an agreement under section
7 310 of the War Mobilization and Adjustment Act of
8 1944.'

9 "SEC. 311. The Work Administrator is authorized to
10 delegate (i) to any officer or employee of the Retraining
11 and Reemployment Administration, (ii) to any State un-
12 employment compensation agency, (iii) to the Railroad
13 Retirement Board, or (iv) to any member or officer of any
14 such agency or such Board any of the powers and duties
15 herein described, excluding only the power to prescribe
16 regulations. Such delegation may be revoked or modified
17 whenever the Work Administrator deems it advisable.

18 "SEC. 312. The Work Administrator shall have and
19 shall exercise all the powers necessary for the effective ad-
20 ministration of this title. He may employ such persons and
21 provide for their remuneration and expenses as may be
22 necessary for the proper administration of this title. Such
23 persons shall be employed and their remuneration pre-
24 scribed according to the civil-service laws and the Classifica-
25 tion Act of 1923, as amended. Notwithstanding any other

1 provision of law or regulation, the Social Security Board
2 and the Railroad Retirement Board may disclose its records
3 of compensation to any agency or person authorized by
4 the Work Administrator to adjudicate claims for 'interim
5 placement benefits'. The Work Administrator shall have
6 power to compel an employer to report the amount of any
7 wage or any other information needed to adjudicate a claim
8 for 'interim placement benefits'.

9 "SEC. 313. (a) The Secretary of Labor shall make a
10 full study and investigation as to—

11 "(1) the extent to which the adoption of annual
12 wage systems would contribute to full employment and
13 rising standards of living;

14 "(2) the factors in favor of and against the adoption
15 of various types of annual wage systems in various in-
16 dustries;

17 "(3) present and past use of annual wage systems
18 by particular industries or individual employers;

19 "(4) other wage systems which might contribute to
20 full employment and rising standards of living; and

21 "(5) possible means to be used by the Government
22 through tax advantages or otherwise in promoting adop-
23 tion of annual wage systems or other wage systems de-
24 signed to bring about full employment and rising stand-
25 ards of living.

1 “(b) The Secretary of Labor shall submit to the Presi-
2 dent, the Senate, and the House of Representatives, within
3 six months after the enactment of this Act, and at such later
4 dates as the Secretary may deem desirable, reports on the
5 results of the studies called for in this section.”

6 TITLE IV—ADVANCES TO STATE UNEMPLOY-
7 MENT FUNDS

8 On page 1, line 3, strike out the first word “That”
9 and renumber sections 1–4 as sections 401 to 404.

10 On page 9, after line 4, insert the following:

11 "TITLE V—HOUSING AND PUBLIC WORKS

12 “SEC. 501. The Administrator of the National Housing
13 Agency is authorized and directed to survey and analyze
14 national housing needs in the period of transition from war
15 to peace and thereafter, and to develop for submission to
16 the President and the Congress a comprehensive program
17 for meeting such needs through private housing and through
18 research, technical assistance, and financial aid with respect
19 to private housing and with respect to local housing under-
20 taken by communities and integrated with plans for com-
21 munity or urban redevelopment.

22 "SEC. 502. (a) In order to encourage States and other
23 non-Federal public agencies to make advance provision for
24 the construction of public works (not including housing),
25 the Federal Works Administrator is hereby authorized to

1 make, from funds appropriated for that purpose, loans or
2 advances to the States and their agencies and political sub-
3 divisions (hereinafter referred to as 'public agencies') to
4 aid in financing the cost of architectural, engineering, and
5 economic investigations and studies, surveys, designs, plans,
6 working drawings, specifications, procedures, and other
7 action preliminary to the construction of such public works:
8 *Provided*, That the making of loans or advances hereunder
9 shall not in any way commit the Congress to appropriate
10 funds to undertake any projects so planned.

11 " (b) Funds appropriated for the making of loans or ad-
12 vances hereunder shall be allotted by the Federal Works
13 Administrator among the several States in the following
14 proportion: 90 per centum in the proportion which the
15 population of each State bears to the total population of
16 all the States, as shown by the latest available Federal
17 census, and 10 per centum according to his discretion:
18 *Provided*, That the allotments to any State shall aggregate
19 not less than one-half of 1 per centum of the total funds
20 available for allotment hereunder: *Provided further*, That
21 no loans or advances shall be made with respect to any
22 individual project unless it conforms to an over-all local
23 or regional plan approved by competent local or regional
24 authority.

25 " (c) Loans or advances under this section to any public

1 agency shall be made only upon condition that such agency
2 agree that if the construction of the public works so planned
3 is undertaken, such agency will repay to the Federal Works
4 Administrator the amounts of such loans or advances. Any
5 sums so repaid shall be covered into the Treasury as mis-
6 cellaneous receipts.

7 “(d) The Federal Works Administrator is authorized
8 to prescribe rules and regulations to carry out the purposes
9 of this section.

10 “(e) As used in this section, the term ‘State’ shall
11 include Alaska, Hawaii, Puerto Rico, and the District of
12 Columbia.

13 “TITLE VI—MISCELLANEOUS PROVISIONS

14 “SEC. 601. When used in this Act—

15 “(a) The term ‘Government agency’ means any de-
16 partment, independent establishment, or agency in the
17 executive branch of the Government, including any cor-
18 poration wholly owned by the United States.

19 “(b) The term ‘contracting agency’ means any Gov-
20 ernment agency which has been or hereafter may be author-
21 ized to make contracts pursuant to section 201 of the First
22 War Powers Act, 1941, and includes the Reconstruction
23 Finance Corporation and any corporation organized pursuant
24 to the Reconstruction Finance Corporation Act (47 Stat.
25 5), as amended, and the Smaller War Plants Corporation.

1 “(c) The term ‘State’ (except when used in title V)
2 shall include the several States, the District of Columbia, and
3 the Territories of Hawaii and Alaska.

4 “(d) Subject to the provisions of section 309 (c) and
5 section 309 (a) a ‘day of unemployment’ with respect
6 to an employee means a calendar day on which he is able
7 to work and is available for work and with respect to which
8 (i) no remuneration in excess of 50 cents is payable or
9 accrues to him and (ii) he has in accordance with such regu-
10 lations as the Work Administrator may prescribe, registered
11 at a public employment office: *Provided*, That remuneration
12 for a working day which includes two consecutive calendar
13 days shall be deemed to have been earned on the second of
14 such days: *And provided further*, That an employee shall
15 not be deemed unable to or unavailable for work by reason
16 of illness or disability occurring after application for interim
17 placement benefits.

18 “(e) A ‘week of unemployment’ with respect to an
19 employee shall mean any period of seven consecutive cal-
20 endar days, each of which was a day of unemployment:
21 *Provided*, That any seven consecutive calendar days which
22 but for the amount of remuneration which accrues or is pay-
23 able to him would be a ‘week of unemployment’ shall be a
24 week of unemployment if the amount of such remuneration
25 does not exceed \$3.

1 “(f) A ‘part week of unemployment’ is any period of
2 seven consecutive calendar days in which there are three or
3 more days of unemployment.

4 “(g) The term ‘benefit year’ means the twelve-month
5 period beginning on July 1 of any year and ending on June
6 30 of the next year, except that a week of unemployment
7 or a week of part unemployment beginning in June and
8 ending in July shall be deemed to be in the benefit year
9 ending in such month of June.

10 “(h) The term ‘dependent’ means—

11 “(A) an unmarried child (including a stepchild or
12 adopted child), of such individual, who has not attained
13 his eighteenth birthday and who either is living in the
14 same household with the individual or is dependent
15 upon such individual for more than half his support;

16 “(B) the wife of such individual if such wife either
17 is living in the same household with such individual or
18 regularly receives support from him, other than a wife
19 who is regularly engaged in rendering services for re-
20 muneration or in any occupation for profit if the remu-
21 nation for such services or from such occupation is
22 substantial;

23 “(C) a parent of an unmarried individual if such
24 parent is incapable of self-support and either is living
25 in the same household with such individual or is depend-

1 ent upon such individual for more than half his support.

2 “In determining whether an individual has dependents,
3 and in determining the number of such dependents, the
4 Work Administrator may find an individual's unmarried
5 child who has not attained his eighteenth birthday to be
6 the dependent of such individual if the individual certifies,
7 in such form as the Work Administrator prescribes, that
8 such child is closely related to him by blood, marriage, or
9 adoption, is unmarried, has not attained his eighteenth birth-
10 day, and either is living in the same household with him or
11 is dependent upon such individual for more than half his
12 support. The Work Administrator may find the wife of
13 an individual to be his dependent if she certifies, in such
14 form as the Work Administrator prescribes, that she is his
15 wife, either that she is living in the same household with
16 him or that he regularly contributes to her support, and
17 that she is not regularly engaged in rendering services for
18 remuneration and not engaged in any occupation for profit.
19 The Work Administrator may find the parent of an un-
20 married individual to be the dependent of such individual,
21 if such parent certifies that he is a parent of such individual,
22 is not capable of self-support, and either that he is living
23 in the same household with such individual or dependent
24 upon such individual for more than half his support.

25 “(i) The term ‘wages’ means (i) compensation as

1 defined in section 1 (i) of the Railroad Unemployment
2 Insurance Act and (ii) all remuneration for employment
3 including the cash value of all remuneration paid in any
4 medium other than cash; except that such term shall not
5 include—

6 “(1) that part of the remuneration which, after
7 remuneration equal to \$3,000 has been paid to an indi-
8 vidual with respect to employment during any calendar
9 year, is paid to such individual with respect to employ-
10 ment during such calendar year;

11 “(2) the amount of any payment made to, or on
12 behalf of, an employee under a plan or system estab-
13 lished by an employer which makes provision for his
14 employees generally or for a class or classes of his
15 employees (including any amount paid by an employer
16 for insurance or annuities, or into a fund, to provide
17 for any such payment), on account of (A) retirement,
18 or (B) sickness or accident disability, or (C) medical
19 and hospitalization expenses in connection with sickness
20 or accident disability, or (D) death, provided the em-
21 ployee (i) has not the option to receive, instead of
22 provision for such death benefit, any part of such pay-
23 ment or, if such death benefit is insured, any part of the
24 premiums (or contributions to premiums) paid by his
25 employer, and (ii) has not the right, under the pro-

visions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

“(3) the payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400 of the Internal Revenue Code or (B) of any payment required from an employee under a State unemployment compensation law;

“(4) dismissal payments which the employer is not legally required to make.

“(j) The term ‘employment’ means any service performed after December 31, 1940, by an employee for the person employing him, irrespective of the citizenship or residence of either, (A) within the United States, or (B) on or in connection with an American vessel under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, if the employee is employed on and in connection with such vessel when outside the United States, except—

1 “(1) service performed in the employ of a foreign
2 government (including service as a consular or other
3 officer or employee or a nondiplomatic representative) ;

4 “(2) service performed in the employ of an instru-
5 mentality wholly owned by a foreign government—

6 “(A) if the service is of a character similar to
7 that performed in foreign countries by employees
8 of the United States Government or of an instru-
9 mentality thereof; and

10 “(B) if the Secretary of State shall certify to
11 the Secretary of the Treasury that the foreign gov-
12 ernment, with respect to whose instrumentality and
13 employees thereof exemption is claimed, grants an
14 equivalent exemption with respect to similar service
15 performed in the foreign country by employees of
16 the United States Government and of instrumen-
17 talities thereof.

18 “(3) domestic service in a private home, local col-
19 lege club, or local chapter of a college fraternity or
20 sorority;

21 “(4) service performed by an individual in the em-
22 ploy of his son, daughter, or spouse, or service performed
23 by a child under the age of twenty-one in the employ
24 of his father or mother;

25 “(k) The term ‘American vessel’ means any vessel

1 documented or numbered under the laws of the United States;
2 and includes any vessel which is neither documented nor
3 numbered under the laws of the United States nor docu-
4 mented under the laws of any foreign country, if its crew
5 is employed solely by one or more citizens or residents of
6 the United States or corporations organized under the laws
7 of the United States or of any State.

8 “(l) ‘Public employment office’ shall include an office
9 of the United States Employment Service, a free employ-
10 ment office maintained and operated by the Railroad Retire-
11 ment Board, or a facility maintained by an employer under
12 the Railroad Unemployment Insurance Act designated as a
13 free employment office by the Railroad Retirement Board,
14 and any employment facility maintained by a labor organi-
15 zation or by an employer and engaged in placing workers
16 which is designated as a ‘public employment office’ by the
17 Work Administrator.

18 “(m) ‘Weekly wages’ means the amount determined by
19 dividing by thirteen the wages in that calendar quarter of the
20 three years preceding application for benefits in which such
21 wages were highest: *Provided, however,* That in the case of
22 any individual whose exact wages are not available or the
23 record of whose wages was not maintained by quarters, the
24 wages for any quarter shall be determined on a basis deemed
25 by the Work Administrator to be fair and equitable.

1 “(n) The term ‘termination of hostilities’ means termina-
2 tion of the war as declared by Presidential proclamation or
3 concurrent resolution of the Congress.

4 “SEC. 602. There are authorized to be appropriated
5 such sums as may be necessary or appropriate to carry out
6 the purposes and provisions of this Act.

7 “SEC. 603. The provisions of this Act shall become effec-
8 tive immediately, unless otherwise provided in the Act, and
9 unless otherwise provided shall be terminated at the end
10 of twenty-four months after the termination of hostilities.

11 “SEC. 604. If any provision of this Act, or the applica-
12 tion of such provision to any person or circumstance, is held
13 invalid, the remainder of this Act or the application of such
14 provision to persons or circumstances, other than those as
15 to which it is held invalid, shall not be affected thereby.

16 “SEC. 605. When the Director first appointed under
17 section 102 has taken office, the Office of War Mobilization
18 established by Executive Order Numbered 9347, dated May
19 27, 1943, shall cease to exist; and such records and prop-
20 erty of the Office of War Mobilization, and such unexpended
21 balances of appropriations or other funds available for its
22 use, as the President shall determine shall be transferred
23 to the Office of Mobilization and Adjustment.

24 “SEC. 606. All orders, policies, procedures, or directives
25 prescribed by the Director of War Mobilization, in effect

1 upon the effective date of this Act, and not inconsistent
2 with this Act, shall remain in full force and effect unless
3 and until superseded by the Director in accordance with
4 this Act, or by operation of law.

5 “SEC. 607. This Act may be cited as the ‘War Mobili-
6 zation and Adjustment Act of 1944’.”

AMENDMENTS

Proposed by Mr. MURRAY and Mr. KUGORE to
the bill (S. 2051) to amend the Social Se-
curity Act, as amended.

AUGUST 8, 1944

Ordered to be printed

AUGUST 9 (legislative day, AUGUST 8), 1944

Modified and ordered to be printed

S. 2051

IN THE SENATE OF THE UNITED STATES

AUGUST 9 (legislative day, AUGUST 8), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. O'MAHONEY to the amendment proposed by Mr. GEORGE to the first amendment proposed by Mr. MURRAY (for himself and Mr. KILGORE) to the bill (S. 2051) to amend the Social Security Act, as amended, viz: On page 10, beginning with line 14, strike out down through and including line 22 on page 11, and insert in lieu thereof the following:

- 1 SEC. 203. (a) Whenever the expansion, resumption, or
- 2 initiation of production for non-war use is authorized by any
- 3 Government agency having control over manpower, produc-
- 4 tion, or materials, on a restricted basis, the restrictions im-
- 5 posed shall not be such as to prevent any small plant capable
- 6 and desirous of participating in such expansion, resumption,

1 or initiation of production for non-war use from so participat-
2 ing in such production.

3 (b) There is hereby created in the Office of War Mo-
4 bilization and Reconversion a Board of Appeals to consist
5 of three members appointed by the President by and with
6 the advice and consent of the Senate, each of whom shall
7 receive compensation at the rate of \$10,000 per year, and
8 shall serve for a term of two years. When any person is
9 aggrieved by the action of any such Government agency
10 referred to in subsection (a) in allocating available materials
11 for the production of any item or group of items for non-war.
12 use, such person shall, upon application therefor under such
13 regulations as the Director may prescribe, be afforded an
14 opportunity forthwith to present his views thereon at a
15 hearing before the Board of Appeals. If, at such hearing,
16 such person establishes to the satisfaction of the Board of
17 Appeals that as a result of such action his business operations
18 will be seriously interfered with or substantially curtailed
19 because of a shortage of any material necessary to such
20 operations, that his inability to continue business operations
21 will result in a serious unemployment problem for his em-
22 ployees, or that the interests of the consumers of the articles
23 produced or manufactured by such person will be substan-
24 tially impaired, the Board of Appeals shall make an im-
25 mediate report thereon to the Director. Thereupon the

1 Director shall allocate to such person such amounts of the
2 material with respect to which the shortage exists as in his
3 judgment will be necessary to prevent substantial hardship
4 to such person, his employees, or consumers.

AMENDMENT

Intended to be proposed by Mr. O'MAHONEY
to the amendment proposed by Mr. GEORGE
to the first amendment proposed by Mr.
MURRAY (for himself and Mr. KUGORE) to
the bill (S. 2051) to amend the Social Security
Act, as amended.

AUGUST 9 (legislative day, AUGUST 8), 1944

Ordered to lie on the table and to be printed

The question which arises in connection with this demonstrated fact is: How long does the Congress of the United States propose to see this condition exist without moving to curb the powers of this agency, demand the constitutional right for the Senate to confirm the members of this committee, and at least provide that a citizen who is threatened with inquisitorial punishment by this agency shall somewhere and somehow be provided an impartial forum in which he may present his cause?

The Attorney General of the United States is so indignant over this strike against the orders of F. E. P. C. that the press reports him to be personally in Philadelphia preparing to go before the grand jury, fortified by his most expert counsel, to initiate vigorous prosecutions against all malefactors. As stated, the F. B. I. is already on the ground. If this investigation does not thoroughly comb the record and the actions of the F. E. P. C., the background of many of its officers and employees for association with subversive groups, and the part that any agitation by these officers and employees may have played in fomenting this strike, and the racial disorder attendant thereon, the investigators and prosecutors will fail in their duty to the American people. Without this the highly publicized investigation will be a travesty on justice and decency.

All of the press accounts emanating from Philadelphia at the outbreak of the strike stated that within a few hours after the walk-out of these employees, groups of armed Negroes, some in automobiles, started roaming the streets, beating all white people they encountered, and causing great property damage by turning over automobiles and smashing the show windows and fixtures of numerous shops. It is amazing that the news could have traveled so fast and these outbursts could have occurred spontaneously.

Be it said to the credit of the Negro ministers of Philadelphia that their appeals to the members of their race to desist in their violent attacks on innocent white people in no way connected with the strike overcame the influence of any agitators who might have planned the violence and caused the members of their race to desist from their lawless acts.

However, to show the effect of this incitement of the Negro population by the actions of the F. E. P. C., the Associated Press reports that a Negro passenger on a trolley chose to interpret the request of a soldier guarding the car to all of the passengers to "move back in the car, please" as an effort to segregate white and Negro passengers. He soon gathered, according to the A. P. dispatch, "an angry crowd of 400 Negroes who massed to wait the return of the trolley and the guard. Radio cars escorted the vehicle through the Negro-populated streets without incident." This would indicate that the colored people of Philadelphia have been so agitated that many of them were willing to seize upon this trivial incident as a pretext for threatening the members of the Army who were there to enforce order.

A New York Times news story of August 7 in discussing this incident carries what is perhaps the most remarkable statement that a newspaper has printed for many years. I read it:

Additional police protection was sent into the area of the incident and police guards began to escort busses on the line.

Mr. President, I venture to say that this was the first time that the Army of the United States has felt compelled to call upon a police department for protection, especially where the Army itself was charged with the responsibility for maintaining order in a community. Seeking police protection for the Army guarding the busses is the most ridiculous and absurd happening in this whole tragic comedy of errors.

The newspaper does not state whether the commanding general in charge of the more than 5,000 troops, armed with all modern equipment, including light cannon, called for the police to protect the Army, or whether it was done by some subordinate. Neither does the account relate whether the commanding general made any effort to get to the point of danger, or whether he remained in the safety of a stoneproof and bombproof office trying to figure out some new means of punishment for the strikers to add to those already imposed.

When the report of the incident went out, it was, of course, garbled to the charge that a southern soldier guarding the trolley had tried to "Jim Crow" the Negroes. The South haters immediately sprang into action and circulated the report which one of their number must have originated. I heard it on the early-morning radio broadcast, in which the commentator solemnly stated it as a fact, with a voice that was heavy with sneering scorn for the poor, benighted southerners. The only trouble with this report was that the Army public relations officer, after an investigation, announced that it was a lie out of the whole cloth. It, therefore, takes its place with that monstrous falsehood which went out of Detroit after the unfortunate race riots there that southern whites were responsible for that bloody and destructive racial war. None of those circulating these charges trouble to correct them when their falsity is established.

Matters have come to the pass where the southern white people have come to expect these fabricators of malicious falsehoods to charge them with responsibility and guilt in the case of every unfortunate incident which may happen anywhere in the United States.

It is a pity, if not a crying shame, that so many of those who control the dispensation of news through the press and the radio are so blinded to common decency and honesty by their hatred of the people of the South that they will seize upon any story, however wild or mischievous it might be, which might asperse the southern people, and give it the widest possible circulation.

I hope that no one will construe this as any appeal for sympathy, or mercy at the hands of these South haters. The people of the South are the peers of any who live in this great land of ours. How-

ever much they may be misrepresented, no abuse can alter this fact. My expression is rather one of resentment, for I would not make an appeal to these people which any decent and honest American might make to another in any other section of the country, because I would not catalog them in that class.

I am disturbed, Mr. President, as I have never been disturbed before, by the evil which portends for the people of my State, both black and white, in this ruthless drive being made by the F. E. P. C., with their callous disregard of human nature and the realities, to enforce their views on racial relations over the entire Nation. At about the time the F. E. P. C. issued its original order in the Philadelphia case, it likewise issued an order against all of the operating railroads in the South, directing them to employ Negroes as engineers and conductors, as well as in any other job classification with these railroads. In addition, the employees and agents of the F. E. P. C. are now reaching into all other forms of industry in the South, demanding that employers and employees overnight change practices and customs of years' standing and submit themselves to the judgments and policies of the F. E. P. C., let the F. E. P. C. prescribe who shall be employed and which employee shall be promoted, and all other forms of employment policies within the program. I shudder to think of the consequences if the F. E. P. C. follows its established program and attempts to re-enact the Baltimore case, or the Philadelphia story, in any large southern city. I content myself with the statement that if the F. E. P. C. invades the South with its blind determination to enforce its social views upon the southern people, it will not only be disastrous to early victory in this great war, but it will set in motion a train of events that will endanger the future peace and welfare of all the people of the United States.

This statement is not in any sense a threat. It is a statement of fact, and an appeal to the conscience and reason of all those who are charged with any responsibility for the operation of the Government of the United States.

If it is proposed to turn aside from fighting our enemies and devote all the armed might of the United States to enforcement of the directives of the F. E. P. C. on the people of the South, of course the F. E. P. C. will win temporarily. It was demonstrated, in the days of Reconstruction, that the rest of the Nation can, at the point of the bayonet, impose the sort of nominal government they may desire upon the southern people. The Army can operate some of the railroads and some of the war plants, and some of the employees may conform temporarily in order to avoid starvation for themselves and their families. But I assert, Mr. President, that such a policy will cause incalculable and unimaginable harm, and will be as disastrous in the long run to the peace and welfare and the happiness of the entire American people as the loss of a foreign war.

This political tampering, with the use of armed force, with racial relations in the South, will result in the greatest tragedy of our time. In my State of Georgia, which has a larger Negro population than that of any other State, the races have enjoyed unusually harmonious relations in recent years. For over eight decades the best people of my State, white and Negro, have wrestled prayerfully and fearfully with this great problem of relations between the races. Over this period there have been white men who have imposed upon the Negro, and there have been cases where semi-civilized Negroes have committed outrages which have enraged the whites. Racial disturbances elsewhere in the United States have caused difficulties in Georgia. It has not been a smooth path that we have traveled through the years, seeking to work out our problems through the painful process of trial and error. The great majority of both races have sought to travel this rocky road with mutual patience and desire for better understanding.

There are still living Negroes who were born in slavery. In a relatively short period of time, as the life of a Nation goes, we have made the most remarkable progress of any people in all history who confronted a similar problem. Out of the ashes and the impoverishment of the most destructive war ever fought on this continent, we have gone forward. There are Negroes in the South who have accumulated substantial fortunes, and, to their credit, thousands of them own their own homes and are civic-minded citizens. Every year of this 80 has brought improvement in understanding and good relations between the races. Each year has brought better schools and health facilities for the Negroes as well as the whites. Our progress in these directions has not been as rapid as has been made in some other sections, but this has been because we are a poor people, in things financial. According to our means and ability, we tax ourselves heavier for these purposes than do our compatriots in any other part of the Nation.

I do not believe that the people of good will of either race in Georgia, and in the South generally, will welcome the operations of any such group of fanatics and reformers as this F. E. P. C. has proven to be. We are going forward very rapidly in securing the rights and improving the opportunities of both races through the process of evolution. If the F. E. P. C. undertakes to solve this problem by revolution, it will destroy overnight all the good that has been achieved through the efforts of thousands of men of good will of both races through the past 80 years as they have struggled to establish sound and equitable relations between the races.

Mr. President, I realize that this question is shot through and through with the political implications of a national election. But, aside from the politics of the situation, I assert that common justice and decent treatment among American citizens demand that this issue not be thrust upon us during the course of this great war. No part of this Nation

has any monopoly in patriotism, but I can say, without fear of truthful contradiction, that the people of the South have supported the war effort as earnestly as those of any other section, and that the sons of the South are today doing their fair share wherever the conflict rages.

I shall not advert to the stand taken by the Members of Congress from the South in dealing with the legislation to prepare this country for war and to enable us to fight this war. Suffice it to say that if southern Members of the Congress had not voted favorably upon such legislation as selective service, legislation to keep men in the Army after 12 months of service, the lend-lease legislation, all three of those important pieces of legislation would have been defeated in the Congress. The percentage of southern enlistment in the armed forces before the selective-service law was enacted, was higher than that of any other section. Southerners have fair representation among the names of those heroes in this war who have performed especially noteworthy acts. We deserve better treatment at the hands of our Government than to have our section wracked by such racial conflicts and labor disturbances as will be brought about in this critical period of our history by the instrumentality of the F. E. P. C. if they proceed with their plans.

Mr. President, permit me to say that it is never pleasant for me to discuss in this forum matters bearing upon the racial question. In the five State-wide campaigns I have conducted in my own State of Georgia, I have probably made more political speeches than any other living Georgian. Never in a single campaign speech have I sought to make the Negro an issue in order to secure votes. If I had ever resorted to such tactics to win an election, I would be thoroughly ashamed of myself. The only time I have ever mentioned any phase of the Negro question in any campaign was to reply to attacks made upon me by an opponent for my constant efforts to secure justice and equality under the law for the Negro citizens of my State. I regret the events which have forced me, in response to what I believe to be a call of duty, to discuss racial matters in two or three recent speeches in the Senate. I do so now in the firm conviction that it is in the best interests of both the white and Negro people of Georgia and the future of this Nation to point out and seek to prevent the dangers impending as a result of the activities of this irresponsible agency of Government.

In conclusion, Mr. President, I wish to reiterate my firm conviction that this F. E. P. C. is the most dangerous force in existence in the United States today. If it continues to pursue its mad way unchecked, it will create more trouble and do more damage to the supreme effort we are making to win this war than could an army of saboteurs. It is a greater threat to victory than 50 fresh divisions enrolled beneath Hitler's swastika or the setting sun of Japan. It is disturbing and damaging relations between the races to a greater degree than the extremists of both the white and

Negro races could if all the extremists were given a Federal license to provoke trouble.

In the interest of early victory in the war, in the name of justice and decency, for the sake of those it was created to help, the President should immediately discharge these marplots. The Congress will fail in its responsibility if it does not take steps to curb the vast powers it seeks to assert. I do not claim to be a prophet, but the predictions I made when opposing the appropriation for this agency in June, that it would not only harass employers and employees but would incite labor and racial conflict, all to the detriment of the war effort, and to the cause of good relations between the races, have been amply borne out by the march of subsequent events. The shadows of the future are clear to any who would see them.

EXTENSION OF UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (S. 2051) to amend the Social Security Act, as amended.

The PRESIDING OFFICER (Mr. McKellar in the chair). The pending question is on agreeing to the amendment proposed by the senior Senator from Georgia [Mr. GEORGE] to the first Murray-Kilgore amendment, so-called, proposing to strike out all after section 101 of the said amendment and inserting in lieu thereof certain language.

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by Mr. James G. Patton, president of the National Farmers Union, to the Members of the Senate of the United States, urging the enactment of the Kilgore-Truman-Murray bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
Washington, D. C., August 8, 1944.

To the Members of the United States Senate:

The post-war opportunity, security, and welfare of the members of the National Farmers Union and, we believe, all working farm families in the Nation depend upon enactment of the Kilgore-Truman-Murray bill, as an independent measure or as an amendment to the George bill. In itself, the George bill does not begin to meet the Nation's war and post-war needs, even in the field of unemployment compensation.

Demobilization and reconversion legislation is months overdue. Unless the Congress adopts such legislation quickly, it will have permitted the Nation to drift into peace more unprepared than it was for war at the time of Pearl Harbor.

Today we have only a few bits and pieces of a transition and post-war program. Unlike the other major United Nations, we have not formally accepted and implemented the war aim of freedom from want. Spokesmen for both major political parties have endorsed full employment as a post-war must. Generous lip service has been given to jobs for all returned servicemen and for all civilian workers in the post-war period. Performance on these promises is lacking.

We have a Contract Termination Act and post-war tax refunds to protect business.

We have a promise by Congress that farmers will be paid support prices for 2 years after the war "to the extent funds are available."

We have a so-called G. I. bill of rights

which assures veterans of inadequate unemployment-compensation payments and inadequate job training and education.

We have provision for unemployment-compensation benefits to nonveterans that are woefully inadequate as to coverage, duration, and amount.

We have, set up by administrative order, a Surplus Property Administration that, in policy and in its administration, is aimed not to carrying our economy forward from all-out war production to full peacetime production and employment, but upon getting back to the old pre-war basis which gave us, in 1939, 10,400,000 unemployed and a net cash farm income of \$4,400,000,000 divided unequally among 6,000,000 farmers, as compared with the 1943 level of \$12,500,000,000.

We have made no provision for sustaining employment and purchasing power by adequate Government investment and public works program during the transition and post-war periods.

Unless we have legislation strengthening and tying together these bits and pieces and to give the whole an engine big enough to do the job, the transition period from war to peace may become a tailspin or a nose dive, ending quickly in a crash.

Even if we should pull out of large-scale unemployment, shrinkage of markets and so-called surpluses during the transition from war to peace production, we would, without such a unified program as is provided in the Kilgore-Truman-Murray bill, fail to give our economy sufficient speed and attitude to prevent stalling and a crash within a few years. A burst of activity stimulated by accumulated savings and needs, by installment buying, and finally by desperate adventures in imperialistic finance and trade would within a few years collapse as in 1929. Because our whole economy is on a vastly bigger scale, such a crack-up would be far worse than the 1929-33 depression. It would threaten our own and the world's hope for a decent, lasting peace based upon fair distribution of the abundance which, for the first time in the history of mankind, is available to all.

If we are to prevent a third world war in which giant robot bombs and planes may cross oceans and continents to wipe out cities and armies within hours after hostilities begin, we, as the most powerful single nation industrially, must stop avoiding and begin to meet squarely and with imagination and daring the gigantic pioneering task of organizing and distributing abundance within our Nation and among nations. This can be done democratically, as the Kilgore bill proposes.

In the past we and other nations have organized scarcity. Abundance has been declared illegal. We have destroyed production, both industrial and agricultural. And we have had wars. We will have war again if we again violate justice and morality by permitting the reestablishment of artificial scarcities, mass unemployment, malnutrition, preventable illness, and unnecessarily high death rates—all in the name of immediate short-run private profit.

Your debate and vote on the Kilgore-Truman-Murray bill will be an omen and a signal. It will tell working farmers, wage earners, and, most important, the men and women in the armed services either that we are going forward to make good on the promises of post-war full production, employment, fair distribution and full consumption, or that, under the systematic terrorism of concentrated and entrenched economic power, fearful of full production and employment and determined to restore scarcity production and chronic mass unemployment, the Senate has chosen by a majority vote to retreat and surrender to the past.

The Kilgore-Truman-Murray bill is a start toward achieving full post-war employment. By itself it will not do the whole job. But it is a beginning in the long overdue task of

planning and providing for full use of all our unsurpassed human and material resources.

In the post-war period the welfare of agriculture—and the very survival of family-type farming, which we look upon as a cornerstone of American democracy—will depend upon whether or not 136,000,000 American men, women, and children can buy at fair prices three good meals a day every day in the year. They can do so if we plan, provide for, and insure (by legislation such as the Kilgore-Truman-Murray bill) full employment at adequate wages and a rising standard of living. Even \$35 a week unemployment benefits, totaling \$1,820 a year for a family, or \$1,170 less than the minimum adequate family budget, will not sustain American agriculture for long. Only full employment will.

To maintain full employment, production, and consumption, we must produce and buy 60 percent more than before the war. No level of production, employment, and consumption that is substantially lower will be enough to give security to our working farm families and to those of the 1,000,000 farm men now in the armed services who may want to come back to farming. Working farmers can no more be prosperous in a boom-and-bust economy than can other independent producers and wage earners. Only monopolies of land, industry, and business can benefit, and they only in the short run. Ultimately, to maintain their monopoly position, to make profits on scarcity in the midst of "surpluses," they must abridge democracy more and more, resorting to force and opening the way, in many instances unwillingly, to fascism.

This is truly a year of great decisions, decisions that can finally win or lose the peace. Your vote on the Kilgore-Truman-Murray bill will be one such decision. We urge you to be equal to your opportunity and your responsibility. Too much time has been lost already. Democratic organization of abundance cannot safely be delayed. The longer it is postponed the harder and more costly it will be, both in money and in human lives and national strength.

We may as well face it. At last, we have got to live with abundance and like it, or prepare for a bigger, broader, and deeper depression and for World War No. 3 before we have finished World War No. 2.

Sincerely yours,

JAMES G. PATTON,

President, National Farmers' Union.

Mr. REVERCOMB obtained the floor.

Mr. BUCK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Green	Reynolds
Andrews	Guffey	Robertson
Austin	Gurney	Russell
Bankhead	Hatch	Scruggam
Barkley	Hayden	Stewart
Brewster	Hill	Taft
Brooks	Jackson	Thomas, Utah
Buck	Johnson, Calif.	Tobey
Burton	Johnson, Colo.	Truman
Butler	Kilgore	Tunnell
Byrd	McClellan	Tydings
Capper	McKellar	Vandenberg
Caraway	Maloney	Wagner
Chandler	Maybank	Wallgren
Chavez	Mead	Walsh, Mass.
Connally	Millikin	Walsh, N. J.
Cordon	Moore	Weeks
Danaher	Murray	Wherry
Davis	O'Daniel	White
Downey	O'Mahoney	Wiley
Eastland	Overton	Willis
Ferguson	Pepper	Wilson
George	Radcliffe	
Gerry	Revercomb	

The PRESIDING OFFICER. Seventy Senators have answered to their names. A quorum is present.

Mr. REVERCOMB. Mr. President, it is my purpose at this time to address my remarks to the pending question, dealing with legislation on the subject of reconversion. Events upon the battle fronts have moved so swiftly in recent days that we in Congress all know that the time is at hand when we must act upon legislation to meet the problems which will arise during the period when we reconvert from war to peace. I do not believe that there is a Member of this body who does not feel as I do, that we must proceed now to enact legislation upon the pending question.

While immediate action should be taken, it is just as important, Mr. President, that we proceed with deliberation, with care, and I trust with wisdom, so that the result of our effort here will effect a good purpose.

There are several phases of the subject of reconversion which we confront. First, there is the return of the soldier, the sailor, and the marine to civil life. Provision should be made to enable him to meet the problems of civil life, from which he was taken. We have enacted legislation on that subject, known as the G. I. bill. Then there is the problem of keeping industries in operation so that men may find employment. We have proceeded upon one phase of that problem and have enacted Senate bill 1718, which was passed by both Houses of Congress and signed by the President, and is now the law of the land.

Another phase is the disposition of the great supplies of surplus goods which have been garnered by the armed forces and the agencies of government to meet the needs of war. I trust that the subject of the disposal of those surplus goods will be met by legislation before Congress again takes a recess for any length of time.

Also quite naturally there arises the question of keeping the workers of this country employed. The proposed legislation before us would set up machinery dealing principally with the subject of employment.

Mr. President, there is another very important question involved in reconversion, and that is to see that the freedom and rights which were taken from the people when we entered the war, so that the war might be prosecuted speedily and effectively, are restored to them. There is no higher duty upon us as a legislative body than to restore the freedom and rights which were temporarily taken from the people during the war period.

I speak here today in opposition to the bill which was reported by the Committee on Military Affairs. I am a member of that committee. I was a member of the subcommittee of three which first studied the subject of the proposed legislation, and which made its report quite recently to the Military Affairs Committee of the Senate. My colleagues on that subcommittee the Senator from Montana [Mr. MURRAY] and the Senator from Missouri [Mr. TRUMAN] filed a majority

report, in which they recommended the passage of the legislation submitted to the Military Affairs Committee. I could not agree with them, because I thought the proposed legislation was wrong, and extremely dangerous to the welfare of the people of the country. I submitted minority views, setting forth my position with respect to the bill. I ask unanimous consent that the minority views, which I expressed in connection with the report of the War Contracts Subcommittee of the Committee on Military Affairs, be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. OVERTON in the chair). Is there objection?

There being no objection, the minority views of Mr. REVERCOMB were ordered to be printed in the RECORD, as follows:

MINORITY REPORT FILED BY SENATOR REVERCOMB, OF THE WAR CONTRACTS SUBCOMMITTEE OF THE MILITARY AFFAIRS COMMITTEE, ON THE UNNUMBERED BILL REPORTED BY SAID SUBCOMMITTEE

Your subcommittee, composed of Senator MURRAY, chairman, Senator TRUMAN, and myself, has filed a report with an accompanying bill, and the majority of the subcommittee, Senator MURRAY and Senator TRUMAN, recommend to the Military Affairs Committee that the bill submitted should be reported favorable to the Senate.

I do not concur in the recommendation that this particular bill be considered favorably. Therefore, I submit this minority report, calling attention to some of the features in the proposed bill which I believe to be unsound and, in fact, dangerous to the well-being of the people and the country.

It is urgent that the Congress proceed without delay to the passage of legislation that will meet the problems of reconversion and consequent unemployment. And it is recommended that the whole Military Affairs Committee proceed at once to the consideration of reconversion legislation and that a proper bill be reported to the Senate as soon as possible.

The proposed bill is divided into five titles, as follows:

Title I creates an Office of War Mobilization and Adjustment for the over-all supervision of war mobilization and demobilization.

Title II sets up rules and policies for industrial demobilization and reconversion.

Title III provides for the retraining and reemployment of war workers and returning servicemen and for unemployment benefits.

Title IV provides for a survey of housing needs and for the making of loans to the States for the planning of public works.

Title V carries certain general provisions, applicable to the other four titles.

My comments are upon title III of the proposed bill, dealing with the retraining and reemployment of workers.

The Government should take every step necessary to prevent want and suffering among our people. But legislation to meet the problem of unemployment should not establish in this country the idea that the public purse may be used to support those who can support themselves.

Legislation dealing with unemployment should have for its purpose the aiding of those who are unemployed because there is no work obtainable by them at which they may make a living. Certainly it should not induce unemployment. In my opinion, the bill reported by your subcommittee will place a premium upon unemployment and will be an inducement to people to avoid work.

I believe that most men and women desire to earn their own livelihood, but doubtless

there are many who will not seek employment if it profits them to be idle.

Furthermore, I do not believe that aid to the unemployed should be used as a method of stabilizing wages and pay. Its sole purpose should be to prevent want for the necessities of life by those who, because of lack of places to work, cannot support themselves.

Any plan of stabilization of pay or wages should be met by direct action on that subject and not through aid to the unemployed.

For the sake of brevity I point out in a summary way certain parts of the bill which I believe to be unsound:

1. Title III sets forth a rate of unemployment compensation which will create unemployment.

The schedule of payments is set up as follows:

Total wages in base year:	Weekly benefit rate	Calculated annual payments
\$150 to \$299	\$12	\$624
\$300 to \$599.99	15	780
\$600 to \$899.99	18	936
\$900 to \$1,199.99	21	1,092
\$1,200 to \$1,499.99	24	1,248
\$1,500 to \$1,799.99	27	1,404
\$1,800 to \$2,099.99	30	1,560
\$2,100 to \$2,399.99	33	1,716
\$2,400 and over	35	1,820

The above pay is upon a weekly basis for 52 weeks out of the year.

A benefit year is defined as a 12-month period beginning on July 1 of any year and ending on June 30 of the next year (p. 42 of the bill). The unemployment benefits are to be based upon the highest earnings in any one of the 3 calendar years preceding the payment of benefits (p. 42), and when a benefit base is once established it cannot subsequently be lowered. No time limit is placed under the payments so long as the law is in force.

It will be noted from the above table that one who received \$900 in a year for work would receive \$1,092 for a year while unemployed; a person who had received \$100 per month, or had received \$1,200 within a year while he was employed, would receive \$1,248 a year during any benefit year of his unemployment.

It is inescapable that any such provision would foster unemployment rather than lessen it.

The \$150 salary limitation means that persons who have worked only part time, and who never intended to work except part time, will be covered by full-time benefits.

This bill would provide greater aid to an unemployed worker than would be given to an unemployed returned soldier or sailor under the so-called G. I. bill (S. 1767), which has been passed by the Congress, signed by the President, and is now the law (Public, 346).

The reported bill proposes certain benefits for ex-servicemen, a subject which has already been settled by the enactment of Public, 346.

2. Under the proposed bill the Work Administrator is given practically unlimited power and, consequently, broad directive powers over workers.

The bill provides in section 412 (at p. 37): "The Work Administrator shall have and shall exercise all the powers necessary for the effective administration of this title."

Such unlimited power in an administrator can lead to great abuse of the workers of this country and leave to him the determination, by the making of rules, as to who may work and who may not work; perhaps as to what organization the worker must belong or not belong in order to secure employment; and to determine whether anyone is unemployed under the provisions of the bill.

The Work Administrator is the highest court of appeal in the administration of the act and may review decisions of any appeal tribunal created under the act.

It is provided that appeal from the Work Administrator may be taken by a claimant or any labor organization of which he is a member, to a Federal district court, provided the labor organization is authorized to represent employees under the National Labor Relations Act or the Railway Labor Act, which such appeal may be taken within 90 days or within such further time as the Work Administrator may allow.

3. The Work Administrator is authorized by the proposed bill to provide, i. e., pay for, vocational training for "any person" for not more than 6 months. This he may do "whenever he deems it necessary" (p. 20 of the proposed bill). He is the sole judge of when it is necessary. He may provide this for anyone and any number of persons without limit. He may provide this training in addition to any free education or training now provided by law.

While such persons are receiving this training, each receives an income to be paid by the Federal Government of from \$50 to \$100 per month, graded according to the number of dependents such person may have.

It is submitted that Congress is not justified in authorizing vocational education at the public expense of an unlimited number of persons selected by a public official.

4. The administration of unemployment compensation is under the Federal Work Administrator. It permits him to enter into agreements with the States to handle the actual machinery for the payment of benefits, and if the State elects to handle the payments, the Federal Government is to reimburse it for any amount paid over and above any amount that would have been paid under the compensation laws of the State. If the States do not elect to administer, the Work Administrator would handle the payments directly.

However, the rate of pay and compensation is fixed in the Federal statute. The State unemployment compensation agencies already set up would be made mere vassals of the Federal Government by this bill. Unemployment compensation systems would be completely federalized and directed from Washington.

5. The proposed bill provides that a person is considered unemployed and may be paid unemployment compensation even if he has the opportunity to work and may be offered work, if such work pays substantially less favorable wages than the prevailing wage for similar work in the locality, or if the rate of pay offered is less than the union wage in that locality (see p. 66 of the bill).

This is clearly an effort to stabilize wages by the use of relief to unemployed persons. Even though a man or woman had the opportunity to work, he or she would still be considered an unemployed person if the rate of pay offered did not substantially meet the prevailing wage scale. This is unfair to the worker who wants to make his own way and his own contract of employment.

6. Subsection (j) of section 501 (p. 45) defines the meaning of "employment" and thereby indicates who shall receive unemployment compensation. "Employment" is defined as "any service performed after December 31, 1940, by an employee for the person employing him, irrespective of the citizenship or residence of either" within the United States, subject to certain exceptions as to persons in the employ of foreign governments or instrumentalities owned by foreign governments, domestic service, or service performed by an individual in the employ of a member of his family.

Thus, persons who came into this country temporarily to perform war work would ap-

parently be qualified to receive unemployment compensation.

7. The report of the subcommittee states that we face the situation of 20,000,000 war workers being demobilized, i. e., being left without employment in their present jobs. If all of these 20,000,000 were to become unemployed and remain so over the course of a year, and the average income of each, while working, had been \$1,200 per year—and I submit that this average is quite low—the amount of compensation under the proposed bill to each of the unemployed would be \$1,248 per year, or a total cost of \$24,960,000,000 annually.

From this example and illustration, whether there will be 20,000,000 or 10,000,000 persons unemployed, it is doubtful that such a burden can be soundly placed upon the Public Treasury, with the immense public debt that has accumulated.

8. The submitted bill purports to be a temporary measure, terminating 2 years after the cessation of hostilities, but no one could believe that once enacted it would not continue as permanent legislation. Under the guise of a temporary emergency, this title would completely federalize the Social Security Act and would permanently fix very high benefit levels.

9. Gen. Frank T. Hines, the present Work Administrator, says of S. 1893, and his remarks are applicable to the proposed bill because title III was taken from S. 1893.

"If the machinery required by S. 1893 were set in motion, there might ultimately arise demand for a completely federalized unemployment-compensation system. It is, of course, true that the bill would permit use of other Federal agencies, but such use would essentially change the existing character of any such agency.

"Would essentially supplant a large part of the existing Social Security Act, would set up standards, qualifications, and disqualifications not in consonance with those provided in said act, and would provide sanctions and penalties not contemplated by that or any other act. Benefits under this section are termed 'interim placement benefits' rather than unemployment compensation, but essentially they take the place of unemployment compensation.

"Purports to permit State agencies to participate on a voluntary basis in the administration of the 'interim placement benefits.' If a State does not so 'elect'—which raises the question as to necessity of State legislation—the entire administration will be under the new Federal agency created by the bill. Moreover, final authority to make findings of fact, to hold hearings, conduct investigations, and to consider appeals is vested in the Work Administrator.

"Would duplicate and for a limited period only and with many fundamental changes, the existing provisions of the Social Security Act and the State statutes which have been enacted largely in conformity with the principles of existing social-security legislation.

"Certainly a civilian employee or war worker should not receive greater benefits than men and women discharged from the United States military and naval forces. Further, the allowances for dependents will complicate the administration of the act, particularly at the State level, and will require statutory and regulatory definitions. Unquestionably, if these amounts for dependents are retained, Public, 348, will necessarily have to be amended accordingly, to give veterans equal or greater allowances.

"Authorize and require the establishment of extensive and expensive Federal machinery to administer functions—or extensions thereof—presently the responsibility of existing Federal agencies.

"Would require a large governmental agency supplanting many of the duties of existing agencies, particularly the Social Security Board.

"The essence of the bill is creation of an administrative agency—as distinguished from the correlating agency set up under Executive order."

The State directors of unemployment compensation are bitterly opposed to the handling of unemployment compensation as set up in the proposed bill.

The Special Committee on Post-war Economic Policy and Planning of the Senate has given study to the proposed plan and has condemned it in its report of June 23 (Rept. No. 539, pt. 5, 78th Cong., 2d sess.).

RECOMMENDATION

10. On August 1 the Special Committee on Post-war Economic Policy and Planning of the Senate, through its chairman, Senator George, introduced a bill dealing with unemployment compensation, the principal features of which were that the subject of unemployment compensation should be administered by the States through the organization and machinery already established in the States; and that the Federal Government shall loan to the States sufficient funds to pay unemployment compensation if the State funds should not be sufficient to meet this obligation. The passage of this bill will properly meet the subject of unemployment compensation. This bill has been favorably acted upon today by the Finance Committee and will be reported to the Senate at once.

As of May 14, 1944, the States had to their credit, in the Treasury of the United States, unemployment compensation funds aggregating more than \$5,000,000,000. These funds are growing at the rate of more than \$1,000,000,000 a year and would reach a total of \$7,000,000,000 if present employment exists through 1945, or about \$6,000,000,000 if it exists through 1944. Therefore, the States already have an immense fund to be used for unemployment compensation before they need to turn to the Federal Treasury to borrow further money for that purpose (p. 2, Report of Special Committee on Post-war Policy and Planning of U. S. Senate, June 23, 1944).

It is respectfully recommended, as a minority report, that S. 1893 be not reported favorably; that title III of the bill reported by your subcommittee, and such other parts of said bill as deal with unemployment compensation, be deleted therefrom, and that the bill, after such deletion, be reported to the Senate. Also, it is suggested that a bill dealing with the disposal of surplus war goods be considered and acted upon as soon as that can be reasonably done.

Respectfully submitted.

CHAPMAN REVERCOMB.

AUGUST 2, 1944.

Mr. REVERCOMB. There are two principal phases of the proposed legislation reported from the Committee on Military Affairs. Before speaking to the bill which is before the Senate, let me say that some changes were made in the bill in the Committee on Military Affairs, changes which for the most part were helpful, but which in some respects did not eliminate the dangers inherent in the bill as reported.

When we deal with the subject of reconversion, we deal particularly with the subject of unemployment insurance or unemployment compensation, as it is generally called throughout the country. It is called interim placement benefits in the proposed legislation. In England it is called a dole. It is the payment of a sum of money to persons who are not employed.

Under reconversion a primary purpose of congressional action should be to keep people employed. As I see it, there are three ways in which the problem may be met: First, by keeping the wheels of in-

dustry turning so that men and women may be employed at good pay; second, by establishing public works projects for the construction of 'worth-while' structures such as roads, bridges, culverts, wharves, airports, and other structures of public use. With respect to the second phase of employment, let me say that those structures should be really needed. They should be useful and helpful to the public, whose money is spent for them. Such activity would be a wonderful source of good to the country, as well as a source of employment of those who cannot find positions in private industry. Third, for those who cannot sustain themselves because there is no place of employment for them, the Government should see to it that they receive some income from public moneys so that they do not suffer.

But we must not, under color of helping the unemployed, establish a new idea or form of government; and we must not, under the cloak of helping the unemployed, establish a system of government which has never found its way into American life. Nor must we use unemployment, Mr. President, for the purpose of establishing the idea that those who can support themselves may look to the Government for support. Nor must we enact a law which will induce some persons to remain unemployed.

This law should be for the purpose of earnestly and fairly providing for those who cannot find employment, although they seek it. I am convinced that most of the working men and women of this country desire to support themselves through their own efforts, but there is no use talking about being abusive of the working people when we say that we know there are countless numbers of them who will not work when it profits them to be idle. So any legislation which is presented here must be such as to meet the needs of those who are necessarily unemployed, but not such as to persuade people to be unemployed.

Addressing myself now to the provisions of the bill which provide for its administration, I make the statement that if the bill reported by the Committee on Military Affairs be passed, we shall have established an absolute control and domination over the lives of the working people of this country; that, in essence, the bill is a national service act over the unemployed of our land.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. PEPPER. The statement the Senator has just made is a rather strange one for him to make, and naturally it will incite inquiry by many of the citizens of the country. I wonder if it is proper to ask the Senator to point out the passage of the bill which will have the effect he has mentioned.

Mr. REVERCOMB. I shall be very glad to do so. I say that the unusual and extensive powers conferred under the provisions of the bill establish absolute control over unemployed people. I shall now proceed to point out to the able junior Senator from Florida what I contend to be powers which are unlimited over the working people of the country, and which would constitute a national service

act so far as placement and moving of workers is concerned.

The bill establishes the position of Work Administrator. Provision for the establishment of that position is found on page 16 of the bill, if the Senator will observe that page. The Work Administrator is given the power, first, "to establish a program"—I quote from the bill—"covering"—what?—"recruitment, training, transfer, and placement of returning servicemen and workers in war and civilian production."

It will be noted, Mr. President, that the bill connects the serviceman with the worker. I desire to address myself later to that point; but now I shall pass on, in view of the question which has been asked by the Senator from Florida.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I should like to answer the Senator's question before he asks me another one.

Mr. PEPPER. The Senator has already read a portion of the bill which apparently does not have the effect he previously mentioned. I wish to ask the Senator if he finds anywhere in the bill any provision that the Work Administrator shall have any power to send a worker anywhere or to make a worker take a job anywhere.

Mr. REVERCOMB. Yes. I will say that I think the Work Administrator is given unlimited power. If the Senator will permit me to conclude my remarks on the subject, I shall show him where I think such provision is to be found in the bill.

Secondly, it is provided that the Work Administrator shall deal with "placement of workers in appropriate employment." He controls placement of workers. Provision to that effect is to be found on page 17 of the bill. The Work Administrator will determine what is appropriate employment. He will lay down the rules and regulations as to what is appropriate employment under the terms of the bill.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I wish the Senator would permit me to proceed with my discussion of the subject. I am still answering the Senator's first question. So I prefer to have the Senator wait until I finish. I will not yield at this time.

Mr. PEPPER. If the able Senator wishes to discuss the provisions—

Mr. REVERCOMB. I do not yield, Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia has the floor, and declines to yield.

Mr. PEPPER. Mr. President, does the Senator from West Virginia decline to yield?

Mr. REVERCOMB. I decline to yield until I finish my discussion of this point. On page 17 of the bill, it is provided that—

The Work Administrator shall prescribe regulations and issue directives to Federal agencies necessary to effectuate the objectives of this title and all such Federal agencies shall be governed by these.

The Work Administrator may pay the cost of transportation of workers from

the place of their last previous residence to new jobs, in accordance with such regulations as he, the Work Administrator, may prescribe. If placement and control of transportation are not complete domination over the movement of the worker, I do not see how the provision could be couched in more direct or definite language. The Work Administrator would do that and would exercise that control to facilitate the transfer of workers. That in itself means, Mr. President, that workers may be transferred. What does the word "transfer" mean but the movement of workers from one place to another? Then, Mr. President, the "placement" of workers means that they may be placed where the Work Administrator designates they may be placed under rules made by him.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. MURRAY. It was never the intention that the bill would give any such power to the Work Administrator. We have prepared some clarifying modifications to the bill, and we attempted to put them in earlier today. If the Senator will yield at this time, I shall be glad to offer the clarifying modifications at this time.

Mr. REVERCOMB. Mr. President, I am speaking to the bill which is before the Senate at the present time. If the Senator has clarifying modifications, I should prefer to have him submit them later, when I have concluded.

Mr. MURRAY. Of course, Mr. President, the Senator will be addressing himself to provisions of the bill which will be changed; at least, we will clarify them so as to obviate the very points he is undertaking to make.

Mr. REVERCOMB. I am not familiar with the clarifying modifications or amendments of which the Senator from Montana has spoken. I shall speak to the bill as it is now before the Senate. If the authors of the bill have found these faults and wish to clarify the bill—and I hope they will—let that be done following my discussion of the bill as it stands before the Senate at this time.

I submit, Mr. President, that when there is placed within the power of one man the unlimited right to make rules and say who may be transferred and placed, he has a hold upon and a guidance over the workers of this country which has never before been vested in any individual. No official ever had the right to make such placement of workers as is being attempted to be given to the Work Administrator in the pending bill.

The bill also provides—and it is an unusual power to be granted to any official of this Government—that without any limit and without any restraint upon him the Work Administrator may give vocational training to "any person" for 6 months at Government expense. I quote the words "any person." The Work Administrator may give vocational training to any person whether the person be employed or unemployed. The Work Administrator may give the training to any number of persons. In him alone is vested the power to select persons who are to receive vocational train-

ing. While the persons are receiving their training they are to be paid from \$50 to \$100 a month while attending school at the expense of the United States Treasury.

How shall it be done? There is nothing in the bill which even suggests where the training is to take place. But there is in the bill the following language which is found on page 37.

Mr. WHERRY. Mr. President, will the Senator yield for a moment?

Mr. REVERCOMB. May I first finish the reading of this language, please?

Mr. WHERRY. Very well.

Mr. REVERCOMB. The language to which I have referred reads as follows:

The Work Administrator shall have and shall exercise all the powers necessary for the effective administration of this title.

(At this point Mr. WHERRY rose to a parliamentary inquiry, and debate ensued, which, at the request of Mr. REVERCOMB, was ordered to be printed at the conclusion of his remarks.)

Mr. REVERCOMB. Mr. President, I shall quote from the language of the bill which was reported from the Military Affairs Committee this unusual grant of power. After giving the Work Administrator all the specific powers to establish programs of recruitment, of training and of transfer and placement of returning servicemen and workers, with the right to educate persons of his own choice, without limit as to the number, for 6 months and to pay them certain money while they are being educated, we find this sweeping language:

The Work Administrator shall have and shall exercise all the powers necessary for the effective administration of this title.

Not content is the bill with granting specific powers, but on page 37 contains this sweeping language, granting to the Work Administrator all powers necessary to effectuate his work under the bill.

I desire further to call the attention of the Senate to the fact that the Work Administrator is the highest court of appeal over the administration of the act. When any agency or any person dealing with a question of employment makes a decision or even when any appeal board he sets up makes a decision the Work Administrator may overrule it. He is all-powerful; he is the overlord of all, and that means the overlord of the workmen of this country.

An appeal may be taken to the District Court of the United States from the decision of the Work Administrator, but it must be taken within 90 days or such further time as the Work Administrator may allow for an appeal to the established Federal court.

I wish to say to you, Mr. President, that this proposed Federal set-up constitutes a most dangerous far-reaching effort to regiment, if I may employ that much-used word, the workers of this country. There is no limit placed upon the Administrator's power that would keep him from moving workers from place to place or from making a rule as to where they shall work and perhaps from making a rule as to what organization the worker must belong to in order to get work. There is no limit. The

Administrator has all the power necessary to effectuate the purposes of the act.

I do not endorse the theory or philosophy of government that underlies such a plan. I do not charge my colleagues with advocating any abhorrent plan of government deliberately, but there is, in my judgment, no place in American life and in American government for an enactment under which one man may sit in Washington and order an unfortunate unemployed man or unemployed woman to go to work where he says and to draw compensation under rules he may make. It would be wiser and better to leave to the separate States where the unemployed live, to the governments that are closest to them, the power and authority to deal with them than to have ordered from Washington the very lives and the bread of the working people of this country.

Mr. President, when we ought to be getting ready to return to the people the rights we have taken from them, an attempt is made to set up in their Government, if you please, new powers over them.

I cannot help but think of the action taken by the United Nations Conference on Food at Hot Springs last year. It will be remembered that from May 18 to June 3, 1943, there assembled at Hot Springs, Va., representatives of numerous nations, including the representatives of our own Government. I have a list of their names, and it is a strange thing that of the representatives of the United States Government there was not one Member of the Congress although the Members of Congress are the representatives of the people. There was brought forth out of that meeting what was called the final act. It is a written report. It was adopted on June 3, 1943. I have a copy of it here, and I desire to read some of the provisions which were recommended to the nations that were represented there. I hope this message will be carried to every American citizen. I read from that final act:

OCCUPATIONAL ADJUSTMENTS IN RURAL POPULATIONS

The United Nations Conference on Food and Agriculture recommends—

I call this particularly to the attention of those from States where agriculture predominates as the method whereby men make a living. This is what is proposed and recommended to the Government of the United States and the other governments—

where agricultural settlements are possible, appropriate steps should be taken to facilitate the movement of people from overmanned agricultural areas.

(d) In order to help in intranational and international migration where these are feasible—

1. Occupational training should be provided;

2. Labor bureaus should be set up where necessary.

Occupational training is provided under the proposed bill before us; and labor bureaus are set up in the Several States through the Federal Employment Service.

3. Transportation, communication, housing, sanitation, health, and other public fa-

cilities necessary to effective settlement should be provided by the country receiving the migrants;

4. Steps should be taken to provide for the economic security of the migrants;

(e) Where emigration is possible, an international organization should support arrangements to provide adequate safeguards for the settlers and for the countries concerned, and to facilitate the movement through other appropriate means.

What does that mean? What did that food conference recommend to the Government of the United States? It recommended that there be set up facilities of government to have migration, to move people not only within the countries but to move people across the international boundary lines.

That was the conference, Mr. President, which was very much closed to the press. The news which came from that conference, it will be recalled, was fed out in select little pieces to the press. And I do not wonder, because I doubt very much that those in charge wanted the people of this country to know what the conference recommended. It does not sound good for America.

What philosophy or thought of government is back of that recommendation of the food conference? What thought or philosophy of government is back of the bill reported from the Military Affairs Committee? There is a pointed similarity between them. As I have said, I do not charge one of my colleagues with having any thought of intentionally wronging the American Government, but I do wish to say that the source from which the thought carried within this bill for a Work Administrator, with the powers granted him here, is something entirely foreign to this Government, sounds strikingly like the food conference recommendations, and comes at a time when we should be restoring rights to the people, instead of taking them from them, and setting up a dictator over one segment of our population.

There is another phase of the bill to which I wish to refer. Before the Congress took its recess it passed—the Senate passed it unanimously—a bill which has been known as the G. I. bill of rights. It dealt exclusively with the serviceman and the servicewoman. Both Houses of Congress passed the bill, the President signed it, and it has become Public Law No. 346. It was enacted only a short time ago, a matter of weeks. We all believed that to be good legislation, we all felt that we owed that much—and heaven knows we owed it—to the men in the service whom we have sent to battle. It was supported by the servicemen's organizations throughout the country. It was voted for, when it was passed, by the proponents of the pending bill. They must have thought it was good. It provided for \$20 a week for the unemployed serviceman.

Now the serviceman is brought back into the pending bill with the worker. Why has that been done? Does anyone believe for a moment that it is done in earnestness? No; I believe it is just a lure, a sop, if you please, to entice support to the bill.

Why do I say that? Because I call to the attention of my colleagues the fact that when the pending bill was first considered by the Committee on Military Affairs its provisions would have given the serviceman far less, in many instances, than it would have given the worker. Under the original bill considered by the Military Affairs Committee, there was a provision whereby an unmarried individual making \$200 a month would have drawn \$35 a week unemployment compensation, whereas an unmarried soldier would have drawn only \$20 a week.

That was cured in committee, but I say it indicates that the originators of the proposed plan were not thinking about the ex-serviceman. They did not have him in mind. It was only when this matter was called to the attention of the Committee on Military Affairs, as the record will show, that the change was made. I wish to say further that even as the bill is framed today most of the single boys who come back can get, in the way of unemployment compensation, only \$20, whereas most of the workers, with perhaps one or two or more dependents, will receive greater incomes.

I do not believe we should have classes or divisions of our people in this country upon any line, but I do say, and I have always believed, that if there is one group of citizens to whom this Government owes more than to others it is that group who have been taken from their lives of peace and placed upon the battle fronts. Yet the pending bill, even in its present form, leaves open the question whether the young single soldier would receive less than the worker.

Mr. President, I want all to receive sufficient compensation if they cannot support themselves. I shall support any system of gift or compensation necessary to insure that there is no hunger in this land and there are no bread lines. But let us be sensible in meeting this problem; and if the provisions we pass here today will not meet the problem of unemployment when it arises, Congress can be readily convened and we can meet the situation with further legislation.

Mr. WILEY. Mr. President—

The PRESIDING OFFICER (Mr. OVERTON in the chair). Does the Senator from West Virginia yield to the Senator from Wisconsin?

Mr. REVERCOMB. I yield for a question.

Mr. WILEY. As the distinguished Senator knows, I have been absent, and am not fully acquainted with the proposed legislation. I have listened to most of the Senator's remarks, but there is one segment of our population about whom I have been wondering. When the boys return, there will be many old folks, their numbers running into the millions, many of whom have fought the battle of life, who have paid taxes up to 60 or 65 years of age, and who will be out of jobs. Does the pending bill consider them?

Mr. REVERCOMB. No; the idea of age is not included in the bill, and I take it that other legislation will deal with that. The pending bill does not touch that subject.

Mr. WILEY. It would give no relief to the aged?

Mr. REVERCOMB. No; the relief granted is not based upon age. It is based solely upon employment or lack of employment.

Mr. REYNOLDS. Madam President—

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Does the Senator from West Virginia yield to the Senator from North Carolina?

Mr. REVERCOMB. I yield.

Mr. REYNOLDS. I heard the Senator from West Virginia make a statement a moment ago to the effect that under the Murray-Kilgore bill an unemployed single man who had been a soldier would receive less than a worker on the home front.

Mr. REVERCOMB. No; I did not put it in just that way, I will say to the distinguished Senator from North Carolina, I said that a single soldier would receive less than a worker who had a dependent.

Mr. REYNOLDS. Oh, a worker who had a dependent.

Mr. REVERCOMB. Yes. That is under the terms of the present bill. I will say to the Senator from North Carolina, who is chairman of the Military Affairs Committee, that under the provisions of the bill as it originally went to the committee the soldier with no dependents would receive less than a civilian worker, and that was corrected in committee when it was called to the attention of the committee.

Mr. REYNOLDS. That is quite true. I thank the Senator from West Virginia very much.

Mr. REVERCOMB. In the original bill there was set up a table of payments which on its very face, I think, showed that individuals would receive more when not working than they received when they worked. I mention that because it indicates the purpose of the originators of the bill. That was changed in the Military Affairs Committee. Under the original draft of the bill, Madam President, one receiving \$900 in a year while he worked would receive \$1,040 a year while he did not work. One receiving as much as \$100 in any month or \$1,200 in a year while he worked, would receive \$1,248 for not working. That provision was changed.

Let us now see the change that was made. It is interesting, and I want to point it out to Senators. It is now provided that an unemployed person shall receive 75 percent of weekly wages, provided, however, that a single person while unemployed shall receive not more than \$20 per week, and with one dependent \$25 per week, and with two dependents \$30 a week, and with three or more dependents \$35 a week. This is to be paid as long as the person is unemployed.

Then the Murray-Kilgore bill defines weekly wages.

"Weekly wages" means the amount determined by dividing by 13 the wages in that calendar quarter of the 3 years preceding application for benefits in which such wages were highest: *Provided however*, That in the case of any individual whose exact wages are not available or the record of whose wages was not maintained by quarters, the wages

for any quarter shall be determined on a basis deemed by the Work Administrator to be fair and equitable.

There the Work Administrator comes back into the picture again. He decides everything. In other words, that means before calculating the 75 percent that is to be paid for unemployment benefit, a quarter of a year shall be taken, the best 13 weeks' earnings within the 3 years prior to unemployment, and the average obtained, and then 75 percent of that average is paid as weekly unemployment compensation, provided it does not exceed from \$20 to \$35, according to the number of dependents.

Let us see what that means. Any individual may work one-quarter of a year, 13 weeks, and establish a basis of pay. He need not work any more than one-quarter of a year to establish his basis, but when he becomes unemployed he receives unemployment pay for 52 weeks of his unemployment.

Madam President, is this bill intended to help those who are in need because they honestly cannot obtain employment? If so, it is a good bill. But if the effect of it, whatever its intent may be, is to encourage people not to work by seeing to it that they are paid more money when they are on relief than they received while they were working, then it is a very vicious thing and should never be passed.

Let me point out to the Senate that if one who worked for 13 weeks in a year received an average wage of \$55 a week, he would earn in that year the sum of \$715, whereas, under the bill, if he were unemployed, he would be paid unemployment income for not working of from \$20 to \$35 a week, according to the number of his dependents, or from \$1,040 a year to \$1,820 a year. He would receive greater amounts for not working. That to me is a very unsound proposition.

Bases of payment substituted by the Senate Military Affairs Committee do not relieve the bill of that fault of paying more money for unemployment than an employed person receives.

I am making no reflection on the worker. There is no one in Congress and no one in this land who is more willing than I to give the worker every benefit possible. I do not believe that most of the workers want to take advantage of this provision. But I think Congress will do wrong if it passes a law which permits those who want to profit by idleness to do so at the expense of the Government.

There comes to mind an example of what could happen under this bill. There are many who work part time, and they have a right to do so. There are circumstances perhaps which bring about such a condition. Take a school boy or a school girl, one who works during the summer months. During that time the boy or girl would earn enough to draw at least \$20 a week while attending school. The student would be an unemployed person, just so long as he or she registered for unemployment. Surely some will register for unemployment compensation if they find that they will not be called for work.

Think of the men who have left the farms during this great call to work in

the factories. I know there was a movement afoot to stop that at one time. I did not want that done. I thought those Americans had the right to leave the farm and go to work in the factory if they were not subject to military service. But what is such an individual going to do? Is he going to list himself as a mechanic and say, "I cannot find a mechanic's job," or is he going back to the farm where he ought to go when this emergency is over? I suppose that is something else that will be controlled by the rules made by the Work Administrator, who could properly be called work dictator.

I now wish to point out what I consider to be another grave fault in the bill. We should not attempt by legislation to aid those who actually need our aid simply in order to stabilize wages. If the Government were to undertake the stabilization of pay, that would be all right. That might be good legislation. But let us meet that question directly; let us meet it fairly; let us meet it head on by enacting a law dealing with the stabilization of wages. Let us not under the veil and under the cloak of aiding the unemployed attempt to fix wages and establish pay in the measure before us.

On page 25 of the Murray-Kilgore bill I find this provision, which is a limitation put on the Work Administrator, but it is a sort of a limitation in reverse—reverse of good:

(f) No work shall be deemed suitable for the purposes of this section, and benefits shall not be denied under this act to any otherwise qualified employee leaving work voluntarily or for refusing to accept work if—

* * * * *

(2) the remuneration, hours, or other conditions of work offered are substantially less favorable than those prevailing for similar work in the locality, or the rate of remuneration is less than the union wage rate, if any, for similar work in the locality.

That means that after an individual has been required to register with the Federal Employment Agency in the locality, if someone offers him a job at substantially less than the prevailing wage in the community for the same kind of work, even though he wants the job, wants to support himself, holds his head up, and be independent of the Government, he may not accept it. I say that that provision is inserted to stabilize wages at the expense of the unemployed persons of this country. Furthermore, it is unfair to the man who wants to make his own way in life. It places those who desire work under the crushing, frustrating power of the Work Administrator.

Mr. FERGUSON. Madam President, will the Senator yield for a question?

Mr. REVERCOMB. I yield.

Mr. FERGUSON. Suppose he were able to get a job for 2 days out of the week. Would he lose all his unemployment compensation and be compelled to reregister? Suppose he were able to get a part-time job?

Mr. REVERCOMB. No; he would not. That situation is defined in the bill.

Mr. FERGUSON. The language is other conditions of work.

Mr. REVERCOMB. He might make as much as \$3.50 a week and still be called an unemployed person, or he might make 50 cents a day and still be regarded as unemployed.

Mr. FERGUSON. Suppose he got 2 days work and made more than \$3.50 a week. What would be the answer to that?

Mr. REVERCOMB. It is my impression, without looking it up at the moment, that he would be considered an employed person.

Mr. FERGUSON. If that be true, there would be no incentive for a man to work 2 or 3 days a week if he received any amount less than \$20, \$25, or \$35, as the case might be. So far as he was concerned, it would be more productive to be entirely unemployed than to be working during a period of time in which he could earn less than the amount paid under the Compensation Act.

Mr. REVERCOMB. I feel that the Senator's conclusion is absolutely sound. There are several instances in which there is an inducement not to work.

Mr. FERGUSON. That may be one of the "other conditions of work" referred to in the provision which the Senator has just read.

Mr. REVERCOMB. Yes. The "other conditions of work" will be something to be established by the rules of the Work Administrator, the all-powerful king to be placed over the labor of the country.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. AIKEN. How much work may an unemployed person accept under the present State laws and still remain entitled to collect unemployment compensation?

Mr. REVERCOMB. I am not familiar with the various State laws.

Mr. AIKEN. Is there any difference between the proposed law and the present State laws? As I understand, if a man is unemployed, and accepts a certain amount of work—I do not know what it is—under the present State laws he would lose his unemployment compensation.

Mr. REVERCOMB. That is correct.

I believe it has been stated that the proposed set-up does not bear any resemblance to the extinct National Recovery Act, the old N. R. A.—under the Blue Eagle. I wish to point out, on page 8 of the bill, the proposed organization of the Federal administration. First, there is proposed to be established a director, at a salary of \$15,000 a year. Then there would be a deputy director, at a salary of \$10,000 a year. There would also be a board, the members of which would be paid \$25 a day plus expenses and traveling expenses while they were working.

I invite the attention of the Senate to the fact that it is proposed to "establish industry advisory councils for the various industries, and area advisory councils for various geographic areas, which substantially and directly affect the policies, programs, and operations of Government agencies."

Mr. OVERTON. Madam President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. OVERTON. Is there any limit on the number of area advisory councils?

Mr. REVERCOMB. No; there is no limitation whatsoever upon the number of those councils which may be established.

Mr. OVERTON. Does the bill provide compensation for the members of such councils?

Mr. REVERCOMB. No; they would receive no compensation. When the bill came to the Senate Committee on Military Affairs, members of such councils were to receive \$25 a day, but that provision was eliminated in the committee. There is no provision for compensating them; but, as the Senator can readily see, countless numbers of such councils would be established over the country. If I am correct in my recollection of N. R. A., that was the great trouble that was had with it. Such groups are called advisory councils, but the Senate well knows how advisory they would be when they put the pressure on in any area or in any industry, as to what industry should do particular work, or undertake a particular contract, or close its gates.

Mr. PEPPER. Madam President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. PEPPER. Are there not a great many advisory groups, both in management and labor, functioning at the present time throughout the country; and is not the Senator under the impression that they have done a good job in promoting the war effort?

Mr. REVERCOMB. I cannot directly answer the question as to how good a job those particular councils have done. However, I will pay tribute to the workers for what has been done. I am not in a position to answer the able Senator as to what part the councils took in it.

Before concluding my remarks, let me call attention to the frail attempt which is made in this bill to use the State unemployment-compensation agencies. Let us look at the provisions. I say that they are entirely a sham. The provisions as to the use of State agencies mean nothing.

First—

(b) Within 10 days after the appointment of a Work Administrator pursuant to this act, such Administrator shall afford to each State an opportunity to participate in the administration of the interim placement benefits provided by this title.

How may the State participate? The State may participate by first receiving claims. It may adjudicate such claims, under regulations prescribed by the Work Administrator. The State would be a vassal of the Work Administrator. The State may pay the claims out of its employment fund, in accordance with regulations prescribed by the Work Administrator. Here we see again the all-powerful hand of the Work Administrator over the States. We say to the States, "We will let the State agencies participate, but they must act under the hand of the Federal Work Administrator."

Mr. AUSTIN. Madam President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. AUSTIN. What force does the Senator give to the following sentence, found on page 32, line 25, of the bill?—

The findings of the Work Administrator as to the facts, if supported by evidence and in the absence of fraud, shall be conclusive.

Mr. REVERCOMB. I am very glad indeed to have that provision called to my attention, because it is one further example of the great powers proposed to be given to the Federal Work Administrator. His findings will be conclusive. Whatever the States may do, even if they elect to administer under the act, they must do so according to the regulations prescribed by the Work Administrator. If he disagrees with them, his word will be conclusive.

Mr. FERGUSON. Madam President, will the Senator yield for a question on that very point?

Mr. REVERCOMB. Yes; I yield to the Senator from Michigan.

Mr. FERGUSON. Where the right is given to appeal to a district court, would not that sentence preclude any action by the court if there was any evidence, even a scintilla of it, to support the finding of the Work Administrator?

Mr. REVERCOMB. That is established law.

Mr. FERGUSON. That is the rule of law; is it not?

Mr. REVERCOMB. Yes; that is the rule of law. If there is any evidence whatever to sustain the finding of the Work Administrator, the wisdom or right of his finding or judgment cannot be inquired into.

Now, Madam President, we find that under the provisions of the bill the Work Administrator, regardless of whether the State elects to take part, may require the filing of claims with his board, because the bill provides that after the State agency may elect to receive claims, the Work Administrator may take away that right from the State, even if the State elects to receive such claims. In other words, the gift of the right of administration to the States is absolutely valueless; it is a nullity. It has no power or force in it whatsoever.

Finally, in commenting upon the question here, let me say that I read in yesterday's Evening Star that my colleague in the Senate who is chairman of the subcommittee of the Committee on Military Affairs upon which I serve is reported to have made the statement that the figures I gave in the subcommittee's minority report were wholly exaggerated. I shall turn to the figures, and the Senate will determine wherein the exaggeration lies.

In my minority report I made the following statement; I read from paragraph No. 7 on page 4:

The report of the subcommittee states that we face the situation of 20,000,000 war workers being demobilized—

That figure comes from the majority report, and surely the Senator is estopped from denying the accuracy of his own figures—

It is said that we are faced with the prospect of 20,000,000 workers being left without employment in their present jobs. If all of these 20,000,000 were to become unemployed and remain so over the course of a year, and the average income of each, while working, had been \$1,200 per year—

And I submit that that average is quite low—

the amount of compensation under the proposed bill to each of the unemployed would be \$1,248 per year, or a total cost of \$24,960,000,000 annually.

From this example and illustration, whether there will be 20,000,000 or 10,000,000 persons unemployed, it is doubtful that such a burden can be soundly placed upon the Public Treasury, with the immense public debt that has accumulated.

There is no exaggeration there. It is solely a calculation based upon the figures contained in the majority report itself.

But let us examine the bill as reported to this body from the Committee on Military Affairs. I wish to call this matter to the attention of the members of the Finance Committee because they may have to deal with this subject. It might be well to keep it in mind from this time on. Taking the same figure of 20,000,000 persons who, as we are told by the majority report of the subcommittee, may be demobilized, if they are paid \$35 a week for 52 weeks—and it is my belief, although I have no assurance of it, that the rate of pay under the present provisions of the pending bill will more frequently be \$35 a week than it will be \$20 a week because most of those workers have dependents—but taking the rate of pay as \$35 a week for 52 weeks, the payment to each unemployed person would be \$1,820 a year, and the total payment to 20,000,000 unemployed persons—using the figure contained in the report of the majority of the subcommittee—would be \$36,400,000,000. If 10,000,000 persons were unemployed, of course, the total cost, at the rate of \$35 a week, would be \$18,200,000,000.

Now let us take the lowest figure, namely, \$20 a week for each unemployed person for 52 weeks a year. Such a person's income would be \$1,040 a year, and 20,000,000 of such unemployed persons would receive a total of \$20,800,000,000. That is a matter of calculation; it is not exaggeration. There are the facts and figures. Let Senators take out their pencils and use them, and they will see that the results I have stated are accurate.

None of us knows how many unemployed there will be. I hope, as I know all other Senators do, that there will not be many unemployed persons. I hope our people will find employment in a reconverted industry at high wages. I hope this Government is wise enough to establish public works which will be real—not a W. P. A. but public works which will be administered under a sound management. I hope that will give employment to those who cannot find employment in private industry. Then, if we must have provision for unemployed persons—and we should make provision for that condition, because there will be some who will not be able to find employment anywhere—we should give them unemployment compensation, which is a system of payments recognized in every State of the Union.

Mr. REYNOLDS. Madam President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. REYNOLDS. What does the Senator estimate the Kilgore-Murray bill will cost during its so-called legislative, legal operation, namely, the period of 2 years after the expiration of all the wars in which we are engaged?

Mr. REVERCOMB. Of course, Madam President, it must be understood, let me say to the able Senator, that the bill is to go into effect, if it is passed, immediately after its enactment, and is to remain in operation until 2 years after we have finished fighting every one of the present wars.

Mr. REYNOLDS. Until all the wars are over.

Mr. REVERCOMB. Yes; until all the wars are over.

Mr. REYNOLDS. What does the Senator estimate that will cost?

Mr. REVERCOMB. I cannot accurately tell the Senator.

Mr. REYNOLDS. I heard the Senator make some mention of \$36,000,000,000 a moment ago.

Mr. REVERCOMB. That is based on the estimate that 20,000,000 of our workers will be unemployed. I do not know how many of them will be unemployed, and no one else does. But I am using a figure contained in the majority report, namely, that we face a change in employment for that number of persons. I hope not many persons will be unemployed. I hope not half that number will be unemployed.

But, as I have stated, if 20,000,000 persons are unemployed, and if each receives \$35 a week, the total annual cost will be \$36,400,000,000. If 10,000,000 persons are unemployed, and if each receives \$35 a week, the annual cost will be \$18,200,000,000. If 20,000,000 persons are unemployed, and if each receives \$20 a week, the annual cost will be \$20,800,000,000.

Mr. REYNOLDS. That calculation is made in accordance with the provisions of the George bill; is it?

Mr. REVERCOMB. No; I am referring to the provisions of the bill reported from the Committee on Military Affairs.

Mr. REYNOLDS. What would be the cost under the provisions of the George bill?

Mr. REVERCOMB. I have not made any estimate as to that.

Mr. REYNOLDS. I am interested in knowing what would be the cost under the provisions of the pending bill and what would be the cost under the provisions of the George bill, because regardless of what bill we vote to put into legal operation, the expenditure of billions upon billions of dollars will be involved.

I should like to have the information because, regardless of which bill shall be passed, I hope that on the day after we pass either the Military Affairs bill or the bill sponsored by the Senator from Georgia [Mr. GEORGE] we will then make the necessary appropriation, that is to say, set aside the money. I hope that we will go over to the Treasury with the bill that shall have been signed by the President, and count out the billions of dollars which we shall have to have, and lock it up in a half a dozen safes so

that no one will be able to get to it, and that we shall place on guard men with machine guns in order to prevent persons from taking the money. If we do not do that the 2,000,000 people living outside of the United States will obtain every penny which we now have. [Laughter.] So far as I am concerned, I am now willing to vote to give to the American soldiers and to the American laboring men and women all the money we can give them, but I want them to have it before people in other countries of the world receive it.

Mr. REVERCOMB. I may remark to the Senator from North Carolina that I will join him in seeing that the funds in the Treasury are used for the American service men and women, and our other American people. But I wish also to say that if he expects to go to the Treasury and personally count out sufficient money to support the bill which has been reported by the committee, he will be there at the Treasury for a mighty long time.

Mr. REYNOLDS. I want all the money there to be saved for my people here in the United States.

Mr. REVERCOMB. The Senator has expressed a very laudable desire.

Mr. REYNOLDS. I quite agree with the Senator that after the war has ended there will be millions of our people unemployed. I believe that some months ago Mr. William Green, president of the American Federation of Labor, stated in an article that we might have anywhere from 10,000,000 to 18,000,000 people unemployed after the war. The money which we are being asked to appropriate under these bills is to be used in taking care of the unemployed, and the more unemployed we have the more money we shall have to pay out. That is true, is it not?

Mr. REVERCOMB. Oh, yes.

Mr. REYNOLDS. In view of that fact does not the Senator from West Virginia believe that right now we should put an end to immigration to this country, and not allow another single alien to set foot upon American soil until we take care of our own American citizens?

Mr. REVERCOMB. I may say to the Senator that no one in this body has been more active against raising quotas of immigration than I have been. The Senator knows that to be so. I want to protect the American people just as much as he does, and I personally want to protect the men who have been sent out of this country to fight abroad so that when they come back they will not be placed upon a dole, but will be given an opportunity to earn a living.

Mr. REYNOLDS. In other words, the Senator wants to take care of the fine men and women who have been sent abroad to save a great many people who have come into this country while the war has been in progress.

Mr. REVERCOMB. We have no argument with each other on that point.

Mr. REYNOLDS. I thank the Senator.

Mr. REVERCOMB. Madam President, on the subject of the pay-roll set-up, I invite the attention of the Senate to

excerpts from a letter from Gen. Frank T. Hines which deals with and was written upon what was known as Senate bill 1893, but which applies with equal force to the third title of the bill reported by the Military Affairs Committee. I quote from General Hines' letter as follows:

If the machinery required by S. 1893 were set in motion there might ultimately arise demand for a completely federalized unemployment compensation system. It is, of course, true that the bill would permit use of other Federal agencies, but such use would essentially change the existing character of any such agency.

Would essentially supplant a large part of the existing Social Security Act, would set up standards, qualifications, and disqualifications not in consonance with those provided in said act, and would provide sanctions and penalties not contemplated by that or any other act. Benefits under this section are termed "interim placement benefits" rather than unemployment compensations, but essentially they take the place of unemployment compensation.

Purports to permit State agencies to participate on a voluntary basis in the administration of the "interim placement benefits." If a State does not so "elect"—which raises the question as to necessity of State legislation—the entire administration will be under the new Federal agency created by the bill. Moreover, final authority to make findings of fact, to hold hearings, conduct investigations, and to consider appeals is vested in the Work Administrator.

Would duplicate and for a limited period only, and with many fundamental changes, the existing provisions of the Social Security Act and the State statutes which have been enacted largely in conformity with the principles of existing social-security legislation.

Certainly a civilian employee or war worker should not receive greater benefits than men and women discharged from the United States military and naval forces. Further, the allowances for dependents will complicate the administration of the act, particularly at the State level, and will require statutory and regulatory definitions. Unquestionably, if these amounts for dependents are retained, Public 346 will necessarily have to be amended accordingly, to give veterans equal or greater allowances.

Authorize and require the establishment of extensive and expensive Federal machinery to administer functions—or extensions thereof—presently the responsibility of existing Federal agencies.

Would require a large governmental agency supplanting many of the duties of existing agencies, particularly the Social Security Board.

The essence of the bill is creation of an administrative agency—as distinguished from the correlating agency set up under Executive order.

Those are the views of Gen. Frank T. Hines of the Veterans' Administration.

We may well inquire, What is behind this effort to create a new vast Federal agency with an all-powerful administrator? I can only express my belief which is based upon close observation of what has been taking place in this country during the past few years. In their political thinking our people are divided, but the battle is not drawn on recognized partisan lines. It is a clash of philosophies of government. On the one hand, we have the doctrine propounded by Jefferson and other early founding fathers that the best government is one which governs the least, and is left closest to the people within the States,

and within their local governments. On the other hand, we have those who may believe that we must tax, spend, and regulate. Between those extremes there is no ground for compromise. The pending proposal presumably represents the ideas of the class that is in favor of taxing, spending, and regulating. That theory of government has the advantage, from a purely political point of view, of creating numberless jobs and vast patronage. It is, however, a short-time view. The nation which taxes, spends, and regulates its people, merely because it has acquired the habit, is headed for ultimate disaster.

In my opinion the Congress is not justified in authorizing the education of persons for 6 months at public expense as provided in the pending bill. Nor should a public official with wide discretionary powers be the highest court of

I have touched today upon the principal features, as I see them, of the proposed legislation which was reported from the Military Affairs Committee. There is pending a measure providing another form of administration for relief or unemployment compensation. It establishes an administrator in the Federal Government, and it makes him the coordinator of all the agencies but does not place in him the unlimited power which the proposal of the Military Affairs Committee would vest in the Work Administrator or in the Director of Mobilization. Furthermore, it leaves to the States the question of administering unemployment compensation. It makes no attempt to regulate the employees of this country through Federal action and a Federal overlord of unemployment.

Between these two methods there can be little doubt on my part as to which we should try first. I think we should leave it, as already established in every State in the Union, to the local governments to attend to the administration of unemployment insurance, and then, I say, that if we find that such a method has not met the requirements of the situation we will meet the obligation in the best possible way. The proposed bill leaving administration to the States provides that the Treasury of the United States shall be behind the States. The States may borrow money from the Federal Treasury if their funds are insufficient to meet unemployment compensation demands. What more can be needed to assure sufficient funds under a State administered plan?

I submit, Mr. President, that the Senate ought not to adopt the plan reported by the Military Affairs Committee. It should adopt now the plan presented in the George bill. On the return from war to peace, which is to be so much hoped for and which we all pray may come at an early date, instead of loading down the people of this country with new regulations and new directions, we should restore to the people and to the local governments of the country more rights of government and particularly those rights which were taken from them in wartime.

The bill reported from the Military Affairs Committee should not be adopted, but we should first try the plan proposed as an alternative, the George bill, with the hope that the latter will work, and if it fails to meet the question of unemployment, then we will meet it by proper additional legislation.

(During the course of the speech of Mr. REVERCOMB there occurred the following debate, which, at his request, was ordered to be printed at the conclusion of his remarks).

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. OVERTON in the chair). The Senator will state it.

Mr. WHERRY. I should like to know under what rules or by what privilege a person who is not a Member of the Senate has the right to address the Presiding Officer at this time. I should like to have the rule cited.

The PRESIDING OFFICER. The present occupant of the chair understands that no one has access to the floor of the Senate except Senators and the secretaries of Senators.

Mr. WHERRY. Further, with reference to the gentleman who but a few moments ago was seen speaking to the Chair, I should like to ask whose secretary he is and what right he had to talk with the one who is now presiding over the Senate.

The PRESIDING OFFICER. The Chair did not quite finish his statement. According to custom, and not according to rule, experts are permitted to sit by the sides of Senators in order to aid them and assist them in the presentation of a bill.

Mr. WHERRY. I should like to address a further inquiry to the Chair. I understand that the rules provide that the personal secretary of a Senator has the privilege of coming upon the floor of the Senate. I ask what right, under the rule, the secretary has to address the Presiding Officer.

The PRESIDING OFFICER. There is no rule which gives him permission to address the Presiding Officer, and there is no rule denying the privilege. It is the opinion of the present occupant of the chair that the persons to whom the Chair has referred are those who fall within the classification of persons having access to the floor.

Mr. WHERRY. I should like to suggest to the Chair—

The PRESIDING OFFICER. The Chair will further state for the information of the Senator from Nebraska, and for the information of other Senators, that the person who came up and spoke to the Chair simply made a request that the name of a certain Senator be added to the list of those intending to address the Senate.

Mr. WHERRY. I am not questioning the man's motive, but unless he is carried on the roll of the Secretary of the Senate he has no right to be on the floor of the Senate, and I especially feel that anything which transpires between a clerk and the one who occupies the chair should be public information. We

should know what the conversation is about.

The PRESIDING OFFICER. The Chair has given the information.

Mr. WHERRY. Unless such persons as those to whom I have referred are given or assume more authority than the rules permit them, such persons are exceeding their authority in speaking to the Presiding Officer of the Senate.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Florida?

Mr. REVERCOMB. I do not wish to deny the Senator from Florida the right to speak. How long will he take, please?

Mr. PEPPER. I merely wish to make a comment.

Mr. REVERCOMB. How long will the Senator take?

Mr. PEPPER. About a minute.

Mr. REVERCOMB. Very well.

Mr. PEPPER. Mr. President, the able Senator from Nebraska [Mr. WHERRY] was quite within his rights in making the parliamentary inquiry. It was observed by Senators on the floor and by persons in the galleries that Mr. Schin-nel, who is present on the floor, went up and asked a question of the Presiding Officer. He did not go to address the Presiding Officer but merely to ask whose names appeared on the list of those who wished to speak. He is present on the floor at the request of the two sponsors of this bill, the Senator from Montana [Mr. MURRAY], the chairman of the sub-committee handling the bill, and the senior Senator from West Virginia [Mr. KILGORE], who is coauthor of the bill. They wish to offer some clarifying amendments. So the question was raised as to whether the Senator from Montana might obtain recognition, and Mr. Schin-nel, the clerk, agreed to go and ask the Presiding Officer for the names of those who were listed to speak. Since he does not have the right to speak for himself on the floor, I may say that I am sure that if he committed any impropriety in performing an errand at the request of his principal, it will not be regarded as an impropriety by the present occupant of the chair, and if Mr. Schin-nel was at fault, I desire to apologize in his name.

Mr. WHERRY. The distinguished Senator from Florida is as familiar as I am with the rule under which the privilege of the floor is granted to the clerks of Senators. I appreciate the explanation given, and I am not objecting to the presence upon the floor of clerks of Senators, or those of committees who are duly appointed and carried on the roll of the Secretary of the Senate, but those of us who are watching the procedure from both sides of the aisle feel that such persons exceed their authority when they take the privilege of the floor to the extent of carrying on a private conversation with our Presiding Officer. Certainly that action does not come within the province of the rule. I appreciate very much the explanation which the Senator from Florida has given. Probably the clerk who spoke to the present occupant of the chair was performing an

errand for my good friend, the Senator from Montana, for whom I have the highest regard. But I feel that if a clerk is to be given the privilege of addressing the Chair the Members of the Senate should know what he is talking about. The explanation which has been made is satisfactory to me, but I think that in the future only bona fide clerks of Members of the Senate should have the privilege of the floor and they should confine their activities to the floor of the Senate in advising their principals and should not take the floor or have access to the Presiding Officer of the Senate.

Mr. MURRAY. Mr. President, if the Senator will yield, I am sure my very good friend—

Mr. REVERCOMB. May I inquire what the Senator from Montana—

Mr. MURRAY. Just a moment. I am sure my very good friend the distinguished junior Senator from Nebraska, would not want to prevent me from presenting modifications to our bill. That was the only purpose which we had in mind in sending our assistant to the Chair. I assure the Senator that there was no ulterior motive involved in the transaction, and I do not think he should become so excited because I wish to modify the bill or amendment which I have offered.

Mr. BARKLEY. Will the Senator from West Virginia permit me to inject a fact into this discussion?

Mr. REVERCOMB. Mr. President, I wish to say to the able majority leader that I have already given up a great deal of time, and I certainly do not object to the majority leader making a statement. How long will it take?

Mr. BARKLEY. It will take about a half a minute.

Mr. REVERCOMB. Very well.

Mr. BARKLEY. I was not present when this rumpus originated over whispering into the Chair's ear by a clerk of the committee who is present to assist the Senator in charge of the pending legislation. We all know that Senate employees frequently go to the Chair and do exactly what was done today at the request of Senators who wish to have their names placed on the list. There is no rule that provides for any such list. It is a courtesy extended by the occupant of the chair to Senators who want to speak and desire to have their names placed on the list. We all take advantage of it. If we require any such employee of the Senate—and all these clerks are employees of the Senate—to do that in public, so that we can hear what is going on, of course that would be denied, because they do not have the privilege to speak. I feel that any Senator called upon to preside over the deliberations of this body is able to protect himself against the machinations of any clerk who might want to sneak up on his blind side and put over on him something that the Senate itself did not know about.

The PRESIDING OFFICER. The Chair thinks he ought to correct the statement of fact.

Mr. TAFT. Mr. President, may I make a parliamentary inquiry of the Chair?

The PRESIDING OFFICER. Not right now. All that was said by the gentleman who approached the Chair and sought his ear was to request that the name of the Senator from West Virginia [Mr. KILGORE] be added to the list. That was all he said; that was the very head and front of his offending. The Chair does not know whether he is on the pay roll of any Senator or not. As the Chair stated before, the rule is that clerks of Senators and of Senate committees may appear on the floor in the actual discharge of their duties. Perhaps the Chair had better read the rule which is the only rule on the subject so far as the present occupant of the Chair knows:

Clerks to Senate committees and clerks to Senators when in the actual discharge of their official duties. Clerks to Senators, to be admitted to the floor, must be regularly appointed and borne upon the rolls of the Secretary of the Senate as such.

Mr. TAFT. Mr. President, a parliamentary inquiry regarding that rule.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. The rule says "clerks to Senate committees." Does the term "clerks to Senate committees" include all employees on the rolls of committees? Only one man is carried as clerk of a committee, and I am interested to know whether the Chair considers the word "clerk" to include every assistant clerk and others so carried, or whether it only extends to one employee of the committee?

The PRESIDING OFFICER. Technically the Senator from Ohio is correct in his inference that there is only one clerk to a committee who is technically the clerk within the intendment of the rules, and he is the one whose name first appears on the roll.

Mr. TAFT. I thank the Chair.

Mr. REVERCOMB. I ask unanimous consent that this colloquy and interlude appear in the Record at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

After the conclusion of Mr. REVERCOMB'S speech,

Mr. VANDENBERG. Madam President—

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). The Senator from Michigan.

Mr. MURRAY. Madam President, will the Senator yield?

Mr. VANDENBERG. Certainly.

Mr. MURRAY. I have some clarifying modifications to the amendment which I proposed yesterday to Senate bill 2051 and I should like to ask the Senator if he will permit me to offer the clarifying modifications now, together with a brief explanation of the changes as I see them?

Mr. VANDENBERG. I understand the Senator is not asking to read the explanation, but wants to have it printed in the Record.

Mr. MURRAY. I am going to present the modifications and have them read. It will take about 15 or 20 minutes, I think.

Mr. VANDENBERG. I should prefer that the Senator would withhold his modifications and explanation until I finish. I shall speak very briefly.

Mr. MURRAY. Very well.

Mr. VANDENBERG. Madam President, there has been much public misunderstanding about the precise issue which is pending in the Senate. It is not surprising because the parliamentary situation has been and is a complicated one. The first thing I want to do this afternoon is to try to make this phase of the matter plain.

The so-called George bill as unanimously reported to the Senate by its Finance Committee, which is the initial measure now pending, deals solely with the unemployment feature of the reconversion problem. It has been widely attacked because it does not include other features of the reconversion problem as covered by the so-called Kilgore bill. For example, a letter addressed to all Senators by Mr. Philip Murray, president of the Congress of Industrial Organizations, says, among other things:

The other bill is the George bill, which was reported out by the Finance Committee. This bill is hopelessly incomplete and inadequate. It cannot possibly meet the situation ahead of us. It neglects the essential problems involved in dovetailing the decline in war production and the resumption of nonmilitary production.

Madam President, the thing I want to make plain is that the original George bill was never intended to cover these other features nor to be a substitute for legislation which should cover these other features. It never purported to be anything more than an answer to the one segment of the problem to which it is confined. Its sponsors have always recognized and asserted that additional legislation covering other segments of the reconversion program is indispensable. Its sponsors have been ready to deal with these other segments immediately in additional legislation. Therefore it is grossly unfair and unfounded to attack the initial Senate Finance Committee proposal on the ground that it does not cover a field which it never even presumed to enter.

This situation stands clear as the result of yesterday's session of the Senate. The Kilgore bill has been offered as an amendment to the original George bill. This brings these other segments of the reconversion problem into immediate consideration. Finally, the distinguished senior Senator from Georgia in his capacity as chairman of the Special Committee on Post-war Economic Policy and Planning has offered an amendment to the Kilgore amendment, generally reflecting the report of this committee as well as the purpose of the well-known Baruch report in respect to these other segments. Therefore I am happy to say that all these reconversion factors are now passing in Senate review, and I hope we shall hear nothing further about the infirmities of the original recommendation from the Finance Committee.

I think, Madam President, that this controversy is of tremendous significance. I am confining myself this afternoon exclusively to a discussion of the unem-

ployment-insurance problem as presented, on the one hand, by the Finance Committee's recommendations, and, on the other hand, by that portion of the so-called Murray-Kilgore amendment which refers to that subject. I repeat, I think that in this particular controversy there is tremendous significance in respect to the course which this country is to pursue hereafter. It involves the basic question whether we shall chart the post-war reconversion on the basis of sound economics as recommended by the Finance Committee bill, or whether we shall proceed on the theory that the citizen is the ward of the state and that public money shall be our primary reliance for the people's support.

I deeply believe that the welfare of the workers of America is unavoidably rooted in sound economics and that any departure from sound economics is a threat to the whole Nation and every worker in it. In my view, any such departure in the name of an emergency merely invites a permanent emergency. It defeats what otherwise should be a destiny of better and happier times for all our country and every toiler in its citizenship.

With greatest respect for the earnest argument presented yesterday upon this particular point by the distinguished senior Senator from West Virginia [Mr. KILGORE], with whom I agree on some other points of his discussion, I assert my own opinion that when we are asked by Federal mandate to peg our post-war peacetime employment benefits at a maximum which is approximately twice the average maximum this country has ever known, either in war or in peace, it is obviously a basic wrench to our economic foundation. The implications and the repercussions of such an action can go far beyond the immediate objective. The immediate objective, Madam President, so far as every man in the Senate is concerned, is to meet the armistice with a program which will promise the swiftest, surest, simplest approach to a post-war economy in which private American enterprise can successfully take over the task of providing American workers with fullest possible employment.

When we are asked to start this process—which, God knows, has problems enough of its own without manufacturing any new ones—when we are asked to start this process by scrapping the standards of a successful time-tried State system of unemployment insurance, substituting Washington as the centralized core of the new system, and imposing Washington's judgments upon the judgments of the States, I cannot escape the conclusion that we move diametrically away from prudence and wisdom and experience and simplicity, and that we create more problems than we solve; that we invade the legitimate functions of the States, and that we jeopardize not only our own high purpose in here seeking post-war stabilities, but also the best chance of creating a self-sufficient post-war economy with the largest possible measure of earliest possible reemployment.

These are matters of opinion. I may be wrong, but I am not in doubt. I do

not think the Kilgore amendment as presented by the able Senator from Montana is the way to encourage successful reconversion, and successful reconversion in terms of good, steady jobs is of infinitely more importance to American workers than is idleness on any sort of a dole. I shall make my reasons plain.

I do not think this is the way to maintain the essential American balance of power between home rule in the States and centralized dictations from Washington, and I think every worker in America, along with every other citizen, has a tremendous stake in keeping the control of his destiny as close to home as possible. But the distinguished Senator from West Virginia and I completely agree that it is wise and necessary that the Congress should return, as it has done, to settle these problems now, regardless of the outcome of our deliberations. Whatever the decisions, they should be made without further delay. The best and soundest decisions would be futile if they came too late, what with 250,000 prime contracts and 2,000,000 subcontracts, involving \$150,000,000,000 of war commodities, representing at least 75 percent of the Nation's current commerce and employment, hanging in the balances. The time to act is here and now, and it is my hope that the Senate can recess again 10 days hence not only with the pending legislation behind it, but also the essential legislation to cover surplus property disposal.

Now, Madam President, I repeat, those of us who support the recommendations of the Senate Finance Committee are fully alive to the need for special precautions to protect unemployment compensation for the workers of America in the lag between war and peace. I wish to make it plain that we do not merely stand in sterile, stubborn opposition to the Kilgore scheme of things. No indeed. We have a positive, progressive program which even the proponents of the Kilgore amendment have endorsed by accepting it.

First. We are proposing to create a Federal loan fund which shall be available to guarantee the solvency of all State unemployment reserves.

Second. We are proposing to extend unemployment insurance at Federal expense to Federal employees, with particular emphasis upon workers in Government navy yards, arsenals, and the like, some 3,500,000 of them, who are not now covered by any system at all, and who are clearly a Federal responsibility.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I prefer to finish my summary of our position, then I shall be very glad to yield.

Third. We are recommending that Federal law be changed to bring employers of one employee or more under the benefit system, instead of eight or more, as at present. Because this involves a tax, it must, under the Constitution, originate in the House of Representatives, but we specifically recommend it in our report, it is part of our plan. The same is true regarding maritime workers. This contemplates an

additional coverage of some 2,500,000 more workers.

Fourth, In addition, we are asking the States and urging the States to quickly survey the sufficiency of their own benefit standards. We are not asking that Congress stand still in dealing with this part of the vital human element in the reconversion problem. We are proposing that Congress move substantially ahead in this sound service to the workers, but we everlastingly insist that the greatest of all human elements is jobs, and that it will be no favor to the unemployed to do anything which will retard the economy that will produce jobs.

We are opposing what, in my view, amounts to the destruction of time-tried State systems of unemployment insurance in respect to their control of its basic element and its standards.

We are opposing the creation of new and unprecedented benefit scales which may involve a greater post-war financial burden than a successful reconversion economy can survive.

We are opposing needless Federal grants which, in our view, will one day be followed by new regimentation of labor from Washington, because Federal power was never known to fail to follow the Federal purse.

I have a telegram from Mr. Sidney Hillman, chairman of the C. I. O. Political Action Committee, from which I quote:

The George bill provides absolutely no additional protection for the workers who may be rendered unemployed as against the present inadequate State laws.

I can only say to Mr. Hillman that if it is no additional protection to workers for us to guarantee the solvency of the unemployment reserve in every State in this Union, then Mr. Hillman has less respect for the necessity of solvency than I have. I can only add that if it is no additional protection to workers to propose a program which extends unemployment insurance to 6,000,000 more workers who have no such protection at all today, if that is no addition, then Mr. Hillman and I are even farther apart in our views than we usually are.

Mr. PEPPER. Mr. President—

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Does the Senator from Michigan yield to the Senator from Florida?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Incidentally, the able Senator from Michigan made reference to the opinion of Mr. Hillman. No doubt the able Senator is aware that only this morning Mr. William Green, and Mr. Julius Luhrsen, representing the railway labor executives, and Mr. Philip Murray, president of the Congress of Industrial Organizations, all sat down together with the authors of the Murray-Kilgore bill and presented a united front of the ranks of labor in support of that bill.

Mr. VANDENBERG. There is no question in the world about the truth of the statement which the Senator makes in behalf of the leaders of these organizations. I have indicated nothing to the contrary.

Mr. PEPPER. I am sure of that.

Mr. VANDENBERG. And I am sure nothing was said this morning in the joint statement to which the Senator refers which invites any such condemnation as the statement made by Mr. Hillman in his telegram.

Mr. PEPPER. If the able Senator from Michigan will allow me to propound the inquiry for which he was good enough to yield to me, the guaranty of the solvency of the States' unemployment compensation fund does not necessarily assure the payments to the worker, does it?

Mr. VANDENBERG. Certainly not; but certainly the worker is in a stronger position in respect to his rights when he has a Federal guaranty behind his State reserves than he had before, and to say that the addition of that Federal underwriting is no additional protection to him, to me is a misconception, let me say, of the facts.

Mr. PEPPER. Does the Senator think that Mr. Hillman might have been disturbed by the fact that in the appendix on page 7 of the report submitted by the Senator from Georgia [Mr. GEORGE] from the Committee on Finance in behalf of the pending bill, there is set forth a table of the unemployment compensation laws and benefits in the several States, and that roughly—

Mr. VANDENBERG. If the Senator will permit me, I prefer to come to a discussion of the State laws in my own time.

Mr. PEPPER. I am merely going to ask a question. Is it not a fact that about 16 weeks is the maximum—I believe a few States may provide for 20 weeks—but 16 weeks is about the maximum coverage for the unemployed worker at a compensation which I believe exceeds \$22 in no State, and only one State, I believe Connecticut, has \$22; and no matter if the Federal Government did guarantee the solvency of the fund, yet if 16 weeks passed or 20 weeks passed, and the State legislature did not meet and change the law, no amount of Federal guaranty of solvency of the funds would prevent months or possibly more than a year elapsing without the unemployed worker getting a dime?

Mr. VANDENBERG. Has the Senator finished?

Mr. PEPPER. Yes. I ask, Is not that a fact?

Mr. VANDENBERG. I shall be very glad to discuss that with the Senator just as soon as we reach that portion of my discussion which deals with standards, and I shall verify the general figures which the Senator has given. His State of Florida, I concede, pays only \$15 maximum in respect to unemployment benefits. I am very proud of the fact that my State of Michigan pays \$20, which is with only one exception the highest State rate in the country. There is no question about the facts. I think that if the Senator's eloquence and earnestness and indefatigability and incorrigibility in respect to every movement to which he attaches his great eloquence and fervor were turned loose in Florida with the demand that Florida do her duty by her own unemployed, we probably would not

have this problem here at all. [Laughter.]

Mr. PEPPER. Mr. President, I wish I could have had that eloquent tribute paid me by my able friend before my primary election.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. DOWNEY. I may say to the distinguished Senator from Michigan that I did not follow his statement with respect to the figure 6,000,000 which he mentioned. Undoubtedly there is some explanation for it. I understood the George bill extended the coverage to the Federal workers, about 3½ million in number. But the Senator from Michigan referred to the extension to cover 6,000,000. Will the Senator help me out in that respect, please?

Mr. VANDENBERG. Yes. I indicated in my summary that the report of the Senate Finance Committee includes in the plan which it favors, the extension of unemployment insurance to employers of one or more instead of eight or more, as is the present law, but under the Constitution that legislation, being tax legislation, must originate in the House, and the most we can do is to attach our fiat to it and give it our blessing.

Mr. DOWNEY. I thank the Senator for that statement.

Mr. VANDENBERG. Mr. President, in my opinion, we have built up a magnificent system of unemployment insurance in this country. It has been erected on the basis of State standards, State administration, and home-rule State controls. Each State is in control of its own system under basic coordination of Federal law. Every State legislature, intimately in touch with its own people and its own problems, decides for itself what its unemployment benefits shall be. The employers of each State have been taxed to provide these benefits and the reserves behind them. So sound has this process been that the State reserves now exceed \$5,000,000,000, and I venture to predict will reach \$7,000,000,000 by the end of this year. The States, without exception, are exceedingly proud of this achievement, and they have a right to be. The States, without any exception of which I have heard, demand that they be left in control of their unemployment insurance operations. One witness after another, speaking for the States, made this position undeniably plain in recent testimony before the Senate Finance Committee. Official spokesmen for the States—north, south, east, and west—wrote this unequivocal demand into our Senate records. In one voice they said "Keep your hands off our State unemployment insurance systems."

I desire to put into the RECORD at this point a telegram from Michigan, at least to complete my own credentials upon this floor. It is signed by Dr. Robert M. Ashley, chairman, and William A. Irving, commissioner, of the Michigan Unemployment Compensation Commission. It reads:

We oppose any Senate action conferring upon the Federal Government power to establish post-war unemployment compensa-

tion rates or that affected the States in matters of unemployment compensation, and earnestly urge that you use your best efforts to protect the interests of the States and the return of the United States Employment Service to State control at the earliest possible date.

Mr. PEPPER. Mr. President, I dislike to interrupt the Senator from Michigan, but I wish to ask him a question.

Mr. VANDENBERG. The Senator is quite welcome.

Mr. PEPPER. The Senator quoted the representatives of several of the States as saying in substance, "Keep your hands off our State unemployment compensation systems."

There will be no question between the two opposing views here concerning the State management of this matter. The Senator from Montana [Mr. MURRAY] has been waiting all day for the opportunity to present some amendments which will clarify that situation. But I ask, is it not a little presumptuous to speak of this unemployment compensation system as an inherent and inalienable State's right, when the tax is levied and collected by the Federal Government, given back to the States by Federal provision, and when the expenses of administration of the State agencies is in substance paid by the Federal Government?

Mr. VANDENBERG. No; I disagree with the Senator.

Mr. PEPPER. If those are the facts, is it not rather presumptuous to say that that this is an inalienable State prerogative? Is it not rather true to say that the Federal Government, under the social security law, has delegated administratively this function to the several States, and vested it as a State function? But for the States to say that it is an inalienable State prerogative under those circumstances seems to me to be a little farfetched. I wondered about the opinion of the able Senator.

Mr. VANDENBERG. Mr. President, I have said nothing about inalienable State rights in connection with this proposition. I am discussing the reality which we confront; and the reality is that every State has unquestioned sovereignty over the essential factors in the administration of unemployment compensation in this country, namely, the standards which shall be involved. It is on that basis that the system has been established. It is on that basis that it has made a magnificent record of constant progressive advancement in the field of social service.

Mr. PEPPER. Mr. President, will the Senator yield for one further question?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Is it not a fact, however, that the allowance to the States of the right to have their several standards is a Federal dispensation, and that the Federal Government could alter it at any time it might wish to do so?

Mr. VANDENBERG. There is no doubt that the Federal Government could alter it whenever it pleased. I fully understand that the able Senator from Florida wishes to alter it now.

Mr. PEPPER. No. I stated that the Senator from Montana had been waiting

all day to offer some corrective amendments which would make it clear that the administration of these laws was to be left in the several States. The proponents of the bill have never had the slightest idea of the Federal Government usurping those functions of administration.

Mr. VANDENBERG. I am sorry the able Senator from Montana has been delayed in presenting his corrections, because, God knows, corrections are due; but in connection with the proposed Federal interference with State unemployment compensation, so far as I am concerned, as I hope I shall proceed to demonstrate, I think that the things proposed to be done in the name of a temporary emergency in connection with the pending alternative would completely destroy the genius of State unemployment compensation systems, and that we should never get them back again. That is my opinion. The Senator probably disagrees. I think I can prove at least why I think so.

Mr. President, in my humble opinion, no matter how adroitly the attack may be disguised, the pending alternative proposal is the beginning of the end for the State systems. It marks the day, the hour, and the place where the State systems are ambushed to their doom. It superimposes uniform Federal standards on top of the State standards. It pays the difference from the Federal Treasury. Thus it puts a premium on low State standards. Thus it puts a penalty upon high State standards. No State will hereafter increase its own standards so long as the proposed system may be in operation. The whole incentive is to reduce State standards in order to avoid discrimination. Indeed, under the proposed arrangement a State could absolve itself of all responsibility to its unemployed and wipe out its State contribution entirely, and charge the whole bill to poor old busted Uncle Sam.

It is said that this is only for the emergency—2 years, 3 years, or perhaps 4. But even if it were limited to a shorter time, I do not think this vice could be cured. We would be naive, indeed, if we were to think that there will ever be a recession from these new methods and new standards when once they have been initiated. Human nature simply does not work that way.

No; this is the beginning of permanent federalized unemployment insurance. Make no mistake about that. This is the end of State Systems under home rule. This is the end of a superb adventure in social progress under existing State auspices. This is the latest step in the program to concentrate social and economic controls in Washington, and centralize Federal power at the expense of State autonomy. It is utterly ironic that it should be proposed and pressed at the very moment when the major trend in our public thinking, regardless of political parties, insistently demands that, so far as possible, Washington shall cease its Federal dominion over our lives and livelihoods and restore local self-government to its rightful and indispensable place in the American way of life.

Mr. President, the pending committee proposal also proposes to inject a totally new element into unemployment insurance, a new element which is wholly foreign to any conception of unemployment insurance heretofore practiced. It proposes to relate the amount of unemployment benefits to the size of a man's family. That is a legitimate consideration in dealing with welfare relief. It is an unavoidable consideration in dealing with welfare relief. Unquestionably, it is a correct test of human need. Where such need exists it must be met by appropriate means. We have other well-established relief methods for meeting it. But it is not part of an unemployment insurance benefit. A sound unemployment insurance system cannot possibly remain sound very long if it is to be loaded down with collateral obligations, no matter how worthy they are within themselves.

Are unemployment taxes levied on the basis of a worker's dependents? No. Are pay rolls staggered to fit the size of a worker's family? No. A single man receives the same rate of pay as does a family man with a dozen children. In inescapable logic and unavoidable economics, and in the standard practice ever since unemployment insurance was born, the unemployment benefit must be measured by the job which a worker held and the pay he received for it, and not by his family needs. There could never be sound unemployment insurance on any other basis. The pending proposal utterly demolishes this fundamental. It creates an illimitable yardstick in its ultimate possibility. Necessarily it entirely abandons the sound theory that unemployment benefits shall be paid by unemployment taxes. Necessarily it looks in the direction of doles at general Federal expenses. I may be all wrong about it, but I do not believe that in the long run it is to the permanent advantage of any American worker thus to make impossible a solvent, self-sustaining system of unemployment insurance which can permanently meet his unemployment needs. It may be good socialism. I do not believe it is sound American economics; and I certainly do not believe that unsound economics can make any contribution, except a fatal one, to the post-war prosperity which we here seek to organize, and upon which, in the final analysis, jobs for workers are dependent.

Mr. President, the pending Kilgore-Murray proposal carries the weekly unemployment compensation payment to \$35 a week, which is a new and all-time high for grants of this character. It is 75 percent more than we voted the returning veteran in the famous G. I. bill when we were recently dealing objectively with the subject of unemployment compensation for him. The \$20 veteran's maximum was our united opinion when we were dealing with the same subject only 2 short months ago; and certainly we were then as generous with G. I. Joe as any rational contemplation of our post-war economy would permit. Of course, the pending alternative proposal has to rerate G. I. Joe to the new standard, because it would be sordidly

unthinkable that the relatively cozy home front, with high wages and safe sanctuary, should have greater benefits than the bitter, bloody, battle front.

Certainly I agree that G. I. Joe shall never be rated lower in his eligibility for Federal benefits than is the war production personnel at home. But I point out that, among the many repercussions of this alternative proposal, only a few of which we yet fully sense, is the necessity thus to rewrite the G. I. bill of rights within 8 weeks of its passage, as a matter of simple decency.

Fortunately, some of the more violently improvident provisions of this alternative proposal—provisions which were too indefensible to warrant even temporary apology—have been deleted. I refer to such provisions as those which, at one point, would have paid a man four times as much for not working as he received when he was working, and which, up to \$1,100 a year, would have made it more profitable to loaf than to labor. Believe it or not, these startling anomalies were significantly present as late as last week in the pending alternative. I do not think any such idea as that ever came from any senatorial source. But with the greatest respect for the senatorial proponents of the alternative measure, as it is now prepared, I am bound to add that I fear just as great, just as glaring, just as improvident, just as dangerous infirmities remain, even though they are less shockingly apparent to the naked eye. For example, even under this hastily corrected version, any worker with a wife and two children—which is an average American worker's family and status—and whose war job at its peak gave him 48 hours of work a week—which all of them have had—and whose base pay is 85 cents an hour or less—and that describes millions of our workers—can receive, within 1 hour's pay, as much for sitting on his front porch for the next 2 or 3 years as he can receive for working 40 hours a week at a workbench. Of course, theoretically he has to take a suitable job if one is offered; but this whole argument presupposes that there will not be enough suitable jobs to go around. One does not have to accuse our workers of being malingerers—to quote yesterday's argument by the distinguished senior Senator from West Virginia [Mr. KILGORE]—in order to anticipate that when pay without work is substantially as profitable as work with pay, there will be at least no overweening incentive to go to work. We are not a Nation of malingerers, but we are notorious bargain hunters.

There are further discrepancies and discriminations in some brackets, due to the fact that all these unemployed benefits, mark you, are tax free, while work wages are not. Unemployment benefits are net, take-home pay. Work wages do not become take-home pay until a variety of payments, including the payments of applicable taxes, have been deducted. How long, Mr. President, can an economy survive in which idleness, in any substantial sector of our population, or in any substantial degree, pays substantially as well as industry? How long will the worker who toils all week at his

bench be content to watch his neighbor receive practically equal pay for going fishing? How can we as Senators say that we are planning to restore post-war America to firm and solid foundations if we here and now hamstring our national economy with any such unnatural conception?

But let me get back to the matter of the proposed \$35 weekly maximum. That is about 100 percent more than the legislatures have declared, by State law, to be their judgment in Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Iowa, Kansas, Kentucky, Mississippi, Montana, Nebraska, Nevada, New Mexico—Mr. President, it sounds like the Democratic National Convention [laughter]—North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, and Washington. In all these instances the proposed new maximum is about 100 percent larger, and in some instances it is 130 percent larger. What is the matter with those States? Shall they be indicted here for penury?

This new proposed maximum falls only slightly short of being 100 percent greater than is now declared by law in Delaware, Idaho, Indiana, Louisiana, Maine, Massachusetts, Missouri, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and West Virginia. Shall those States be pilloried at the bar of the Senate for incompetence and inhumanity?

This proposed new Federal maximum is about 75 percent greater than the figure, established in their own right, by California, the District of Columbia—for which we legislate—Illinois, Maryland, Michigan, Minnesota, Utah, Wisconsin, and Wyoming. It is exactly 59 percent greater than the figure established in Connecticut, which has established the highest rate in the Union, and which we have heretofore looked upon as giving the rest of us a notable example toward which to strive.

Mr. President, the impact of these figures cannot be ignored. Here is the combined judgment of the 48 States, each speaking in his own sovereign right on this particular question. In these mighty home-rule laboratories where the entire body of our progressive unemployment laws has been developed, and where constant advancement in liberality are being recorded, the average verdict of 48 State legislatures and 48 Governors is that the pending proposal is nearly 100 percent beyond the line of prudence and justification. I submit that State legislatures have an even more representative right to speak for their people than have we, on a subject of this nature, which heretofore has rested solely in their jurisdiction. Almost every one of the State legislatures will be in session next January. If their standards are too low—and in some instances I personally think they are too low—they can be corrected at the source, as they ought to be. The Senate Finance Committee has recommended to all of them that they review their standards at once, with just such correction in view. But they will never review them, Mr. President, except to lower them, if

we pass the pending proposal which puts a cash premium upon their default. I do not believe any such situation as that can possibly be of long-range advantage to our workers.

Mr. President, it is a pleasant thing to be in the position of outdoing the States, here in the Senate, 100 percent in generosity. I should enjoy that prodigal role quite as much as any other Senator upon this floor. I wish every American worker to have every pay dollar the traffic will bear. But, upon my responsibility as a Senator, I am not entitled to indulge myself in any such privilege as is here proposed if it threatens the general welfare, including the total welfare of the workers themselves; and that is precisely my view of the pending matter.

Mr. President, the average American worker does not want to draw unemployment insurance if he can avoid it. I refer to the average worker who represents the bone and sinew of our vast and magnificent industrial personnel. His primary interest is not in what remuneration he can get when unemployed, relatively important though that factor may be; but his primary interest is in having a steady, well-paid job, so that he will never require any unemployment benefits. It is employment, not unemployment, which grips the aspirations of his heart. It is employment, not unemployment, which has to be the dominating legislative objective as we prepare for the post-war era. Let us prayerfully beware of doing anything in the name of unemployment, no matter how nobly meditated, which threatens the employment goal. In my opinion, that is what we are invited to do here today.

Mr. President, everyone knows that the United States will confront a desperately difficult and dangerous problem when war orders cease and we return to peace commerce. In charting our post-war course no single factor can be safely settled by itself. We must always deal with the composite whole. American business, American private enterprise, and American free enterprise, must have a chance to succeed or we are sunk—all of us, both managers and men—and the world's hope of all the ages dies.

What is the workers' greatest need? Unemployment benefits? No. The workers' greatest need is that there shall be employers who can create jobs for them. There can never be an employee until there is an employer, except in a soviet. How tragically often we forget that simple but inescapable axiom. The existence of employers depends upon a healthy, economic atmosphere. A healthy, economic atmosphere, in turn, depends, among other things, upon the Government, and, at the moment, that means us here in the Senate of the United States as we deal with this particular factor which will have such a tremendous influence upon the character of our economic atmosphere in the days to come.

Mr. President, I care not how many pollyanna economists testify to the contrary, we cannot spend ourselves into prosperity. It has been tried for a thousand years, including the last twelve in the United States, and it has always

failed. One may as well try to drink himself sober. We are rather scornfully told that we must not settle these questions on the basis of dollars. Yet the whole argument is one of dollars, because, whether we like it or not, the measure of human values in a problem of this nature is in dollars. We are told that the proposed Federal grants will sustain the buying power which our post-war economy needs. That was a mistake we made in the lush twenties when we sent our money abroad in order that foreigners could be our customers.

I am deeply convinced—and I stand or fall on the proposition—that we cannot tax ourselves into post-war prosperity. A healthy economic atmosphere in America—the kind we need in order to keep our national income at top levels, and thus to keep employment at top levels—requires a fiscal policy on the part of the Government which will put a maximum of the national income into productive enterprise, into the creation of jobs, and a minimum into Government taxes.

Our post-war budgets must be substantially balanced or there will be no chance of stabilizing American business and American jobs for American workers, or to save this country from explosive and devastating inflation, if not worse. This may be laughed aside as old-fashioned nonsense. But it is old-fashioned truth, and truth is eternal.

It has been rightly said that human values always must come first. Indeed they must, but it is the irresistible law that human values include the chance to make a living. That is what I am talking about. The chance to make a living includes, for most of us, the chance for successful business to provide us with a stable, well-paid job.

Mr. President, we already confront a post-war budget which must carry some \$6,000,000,000 in order to service our national debt. That is an obligation which only a Communist would ignore. It will probably have to carry at least \$8,000,000,000 more in order to pay for the G. I. bill of rights and our utterly sacred obligations to our soldier sons. It will probably have to carry at least \$5,000,000,000 in order to administer the ordinary and legitimate functions of the Federal Government even after we have shed extravagance and waste. How much more can we stand—and preserve the healthy atmosphere which is prerequisite to our standing anything? Remember, I am speaking in terms of jobs.

No, Mr. President; we cannot indefinitely pile up those obligations without putting the kiss of death upon our economic future. Those who do not care about our economic future under the capitalistic system will not mind. Those who do must take a different view. Nobody knows what the pending proposal will actually cost. There has been wide discussion upon the subject. There has been much speculation upon the subject on the floor of the Senate. This afternoon the junior Senator from West Virginia presented alarmingly large figures. In order to be wholly conservative about it I prefer to rest upon the exhibit presented by the Social Security Board,

which, in the final analysis, ought to be the most reliable authority at our disposal in the Government. The Social Security Board says that the pending alternative proposal will cost \$10,400,000,000 in the next 3 years. It bases its estimate upon a series of assumptions, each one of which permits the most favorable possible estimate. I disagree with many of the assumptions upon which the estimate of the Social Security Board is based, but even with all the favorable assumptions, still the figure presented to us from the Social Security Board is \$10,400,000,000.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. VANDENBERG. I will yield in a moment.

The figure does not include any estimate whatever for the tremendous vocational-training program involved in this bill. It does not include any estimate for the tremendous increase in dismissal pay for soldiers, and it does not contain one penny's estimate of the enormous expense of the tremendous Nation-wide bureaucracy which would have to be set up in order to administer such a dual system. So I think it would be fair to say that, even on the basis of the social-security figures, we are involved in a contemplation which conservatively runs toward \$15,000,000,000, in addition to all the unemployment benefit payments to be made by the States.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the junior Senator from West Virginia.

Mr. REVERCOMB. The Senator from Michigan, in referring to the figures which I presented this afternoon, will, of course, understand that they were based upon a statement contained in the majority report of the subcommittee that we were confronted with the likelihood of 20,000,000 employed persons changing jobs, and that the figures were merely estimates based upon those used in the proposed plan. No one could be exact about the figures. No one knows how many unemployed there will be. But we believe that we have a right to use the figures in the majority report of the subcommittee as a basis of calculation.

Mr. VANDENBERG. I believe the Senator was justified in the basis which he used for his calculations.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. TAFT. As I understand, the \$10,400,000,000 would be in addition not only to State benefits, but also the benefits which are proposed in the George bill for Federal workers.

Mr. VANDENBERG. I believe that to be true.

I may be wrong, Mr. President, but, in my humble opinion, this way of legislating is the exact opposite of planning soundly for post-war stability and jobs. It invites unemployment; it puts a high premium on unemployment; and it is the worst possible service that could be rendered to any worker in this land.

I have been told outside the Senate that it is politically inadvisable to oppose such a mass distribution of money from

the Federal Treasury at a time such as this. Well, Mr. President, on such a theory the \$35 maximum might be increased to \$50 and it would be that much more attractive, or it could be multiplied to \$100, and then it would be a political or a ballot blitz. But I am comforted by the thought that the course for which I plead will not be politically inadvisable when the economic chickens come home to roost. In any event, I can only vote my honest convictions. My convictions are that the pending proposal, referring to the alternative which is offered to the Senate Finance Committee recommendation, in respect to unemployment compensation will do these things:

First. It will destroy for keeps the great progressive movement in the further development of State unemployment compensation funds where labor has its greatest stake;

Second. It will create a new Federal control and centralization, which will become another and a permanent labor tyranny;

Third. It will put a dangerous premium upon unemployment;

Fourth. It will threaten the sound economy which is prerequisite to post-war prosperity and post-war jobs in the United States;

Fifth. For these reasons it offers nothing but hazards to the long-range welfare of the workers of America and to the swift establishment of business in America upon the accelerated basis which is indispensable to our post-war lives. I do not believe the best interests of American workers can thus be served.

Mr. MURRAY. Mr. President, I regret that I was unable to obtain the floor earlier in the day to present some clarifying modifications to the amendment which I proposed yesterday to Senate bill 2051 as introduced by the Senator from Georgia. I now send to the desk the modifications which I wish to make. They will be found set forth in the committee print No. 2 of August 9, 1944, and I ask that they be read.

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). The clerk will read as requested.

The legislative clerk proceeded to state the modifications beginning on page 16 of Committee Print No. 2, August 9, 1944, of the so-called Murray-Kilgore amendments to Senate bill 2051 as follows:

On page 16, line 22, after the word "appointed", insert "for a term of 2 years"; on page 17, line 15, before the word "agencies", to strike out "Federal" and insert "Government"; in line 17, before the word "agencies", to strike out "Federal" and insert "Government."

Mr. TAFT. Mr. President, I should like to ask the Senator from Montana what is the significance of striking out the word "Federal" and inserting the word "Government." Is it intended to extend the power of the Work Administrator over the State governments as well as the Federal Government?

Mr. MURRAY. There is no significance to the change. It is a proposal that was made by the legislative expert. It seems to me that there is no difference

between the two, except the word "Government" is a more appropriate one.

Mr. TAFT. In the opinion of the Senator, the word "Government" means the Federal Government. Is that correct?

Mr. MURRAY. Yes; that is correct.

The legislative clerk resumed reading the modifications as follows:

On page 17, line 22, after the word "Commission", to strike out "(for the War Manpower Commission and the Federal Security Agency)" and insert "Federal Security Agency"; on page 19, line 4, after "Sec. 305", to strike out:

The Work Administrator may perform the functions and exercise the powers, authority, and discretion conferred on him by this act through such officials and such agencies and in such manner as the Work Administrator, subject to the provisions of this act, may determine. In carrying out the purposes of this act, the Administration may utilize the services of any other Government agency.

And insert:

To the fullest extent practicable, the Work Administrator shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Work Administrator may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this title, and each Government agency shall furnish any information and reports so required.

On the same page 19, line 21, after the word "the", to strike out "Work Administrator is hereby authorized" and insert "United States Employment Service and such other Government agencies as may be designated by the Work Administrator, are hereby authorized, upon application therefor"; on page 20, line 4, after the word "such", to strike out "transportation"; in line 6, after the word "employees", to strike out "in the Standard Government Traveling Regulations, as approved by the President", and insert "except that a fare for dependents may be paid"; in line 12, after the word "hostilities", to strike out "as proclaimed by the President or by concurrent resolution of the Congress"; in line 14, after "sec. 307 (a)", to strike out:

Whenever he deems it necessary, in order to give effect to the objectives of this title, the Work Administrator is authorized to provide to any person vocational free education or training, of not more than 6 months of full-time study or its equivalent in part-time study in addition to any free education or training now provided by law.

And insert:

The Work Administrator, through the United States Commissioner of Education, is authorized and directed to assist the States, through such agencies as may be designated therefor by each State, in determining the need for, and in developing programs of, vocational guidance and training for gainful employment of workers in nonmilitary production, and in preparing plans for the acquisition and utilization of surplus Government-owned property for such vocational guidance and training. He may, by agreement with the Commissioner of Education and the several State agencies under the Federal State Vocational System, provide for the payment, either in advance or by reimbursement, for the administrative expenses as well as the expenses of training authorized under this act; and, through such agency or agencies as he may designate, provide in like

manner for the payment of maintenance allowances.

On page 21, after line 10, to strike out:

(b) Every person, while he is receiving vocational education or training on a full-time basis, shall be entitled to receive a maintenance allowance at the rate of \$50 a month if he has no dependent, \$75 if he has one dependent, and \$100 if he has two or more dependents.

And insert:

In order to fit any unemployed person who is a qualified employee in accordance with the provisions of section 310, the United States Commissioner of Education and such other Government agencies as may be designated by the Work Administrator are authorized to provide, in accordance with such regulations as shall be prescribed by the Work Administrator, to any person selected in accordance with such regulations, free vocational education or training of not more than 6 months of full-time study or training, or the equivalent in part-time study or training which does not duplicate any free education or training otherwise available.

On page 22, after line 2, to insert:

(c) Every person, while he is receiving vocational education or training on a full-time basis, shall be entitled to receive a maintenance allowance equal to the amount he would receive if he were entitled to interim placement benefits, but in no event less than \$12 a week if he has no dependent, \$18 if he has one dependent, and \$24 if he has two or more dependents.

On the same page, line 14, after the word "job", to strike out:

Persons undergoing such training shall not be eligible for interim placement benefits during the period of such training.

(c) The Work Administrator shall from time to time make available information respecting the need for general education and for trained personnel in the various trades, crafts, and professions. He shall make educational and vocational guidance generally available.

On page 23, line 14, after the word "registration", to strike out "with" and insert "in accordance with regulations to be prescribed by the Work Administrator, at"; in line 16, after the word "by", to strike out "the Work Administrator" and insert "him"; on page 25, line 17, after the word "title", to strike out "or a mustering out payment"; on page 29, after line 6, to insert:

(h) No otherwise qualified employee shall be denied interim placement benefits because of a refusal to make application for or accept transportation, training, or education authorized by sections 306 and 307 of this act.

Mr. MURRAY. Mr. President, inasmuch as these clarifying modifications are quite lengthy, I ask unanimous consent that their further reading may be dispensed with, and that they may be printed in the RECORD.

The PRESIDING OFFICER. Under rule XXI, paragraph 2, the Senator from Montana, at this stage of the proceedings, has the right to modify his amendment. At his request the remainder of the modification will be printed in the RECORD without reading.

The remaining modifications are as follows:

On page 29, line 11, before the word "Any", to strike out "(h)" and insert "(i)"; on page 30, at the beginning of line 3, to strike out "(i)" and insert "(j)"; on page 31, line 6, after the word "appropriate", to insert "and"; in line 7, after the word "to", to strike out "partial"; in line 8, after the words "set forth", to strike out "from funds withdrawn from the State account in the Unemployment Trust Fund"; in line 12, after the word "Administrator", to strike out the semicolon and "and (iv) to find fair and reasonable, and not resulting in substantial loss to the unemployment compensation account of such State, the reimbursement arrangement hereinafter provided for"; on page 32, after line 7, to strike out:

(c) Claims for benefits and appeals from determinations with respect thereto shall be made in accordance with such regulations as the Work Administrator shall prescribe. The Work Administrator is authorized and directed to make findings of fact with respect to any claim for benefits and to make decisions as to the right of any claimant to benefits. The Work Administrator is further authorized to hold such hearings, to conduct such investigations and other proceedings, and to establish by regulations and otherwise such procedures as he may deem necessary or proper for the determination of a right to benefits.

Each person whose claim for benefits has been denied, in whole or in part upon an initial determination whether by the Retraining and Reemployment Administration, by a State, by the Railroad Retirement Board, or by another Federal agency participating in the administration of "interim placement benefits" by arrangement with the Work Administrator, shall be granted an opportunity for a fair hearing thereon before such appellate tribunal as the Work Administrator may by regulation establish. In the case of any hearing, the appellate tribunal established by the Work Administrator shall notify all parties properly interested of their rights to participate in the proceedings and, if a hearing is to be held, the time and place of the hearing. At the request of any party properly interested, the tribunal shall provide for a hearing and may provide for hearing on its own motion.

The Work Administrator may, on his own motion, review a decision of an appeals tribunal on the basis of the evidence previously submitted in such case and may direct the taking of additional evidence, or he may agree to hear the appeal of such parties as he may find properly interested in the proceedings. Unless a review or an appeal is had pursuant to this subsection, the decision of the appellate tribunal shall, subject to such regulations as the Work Administrator may prescribe, be deemed to be his final decision.

If the decision of an appellate tribunal or of the Work Administrator reverses an initial decision denying a claim for "interim placement benefits," such claim shall thereupon be certified by the Work Administrator to the Secretary of the Treasury for payment. If the initial decision was made by a State agency or the Railroad Retirement Board the amount of such payments shall be taken into account in determining the amounts of reimbursement to be paid to any State agency or to the Railroad Unemployment Insurance Account pursuant to subsection (d) of this section.

And insert:

(c) Any claimant whose claim for benefits has been denied shall be entitled to a fair hearing before an impartial tribunal of the State agency or such other agency administering benefits under this title.

Whenever the Work Administrator believes that in the administration of "interim placement benefits" there is a denial, in a substantial number of cases, of such benefits to individuals entitled thereto, or a failure to comply substantially with any provision of this act, he shall request the Social Security Board to make findings with respect thereto and, after reasonable notice and opportunity for hearing to the State agency, to report such findings to him. If the Board finds that there is any such denial or failure to comply, the Work Administrator shall notify such State agency that further payments under title III of the Social Security Act and under this act, will not be made to the State until he is satisfied that there is no longer any such denial or failure to comply. Until he is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State.

On page 34, line 24, after the word "the" where it occurs the first time, to strike out "Work Administrator of the decision of any appellate tribunal" and insert "agency administering benefits"; on page 35, line 6, after the word "remedies", to strike out "made available by the Work Administrator"; in line 8, after the word "of" where it occurs the second time, to strike out "the Work Administrator" and insert "such agency"; in line 12, before the word "may", to strike out "Work Administrator" and insert "agency"; in line 16, after the word "the", to strike out "Work Administrator" and insert "agency"; in the same line, after the word "by", to strike out "him" and insert "it"; in line 18, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 19, after the word "to", to strike out "him" and insert "it"; in line 22, after the word "the", to strike out "Work Administrator" and insert "agency"; on page 36, line 4, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 6, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 10, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 11, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 12, after the word "modify", to strike out "his" and insert "its"; in line 14, after the word "the", to strike out "Work Administrator" and insert "agency"; in line 18, after the word "the", to strike out "Work Administrator" and insert "agency"; line 25, after "(d)", to strike out:

Each participating State agency shall arrange for the payment, from funds withdrawn for such purpose from the unemployment trust fund, of claims for "interim placement benefits" granted in whole or in part in accordance with the regulations prescribed by the Work Administrator.

On page 37, line 9, after the word "law", to insert "in existence on the date of enactment of this act"; in line 10, after the amendment just above stated, to strike out:

The Work Administrator shall from time to time satisfy himself as to the correctness of such determinations. The Work Administrator shall, on each February 1, May 1, August 1, and November 1, certify to the Secretary of the Treasury, for payment into the appropriate State account in the unemployment trust funds, the amount by which the payments of "interim placement bene-

fits" made on certifications of the State agency in the preceding calendar quarter exceeded the payments which would have been made under the unemployment compensation law of the State, if the claims for "interim placement benefits" had been claims for benefits under such State law.

And insert:

The Work Administrator shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this act. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment or transfer in accordance with such certification.

In determining the amounts to which a State is entitled under this act, the Work Administrator shall consider reports and estimates submitted by the unemployment compensation agency of the State, and prior to making such determinations shall afford such agency opportunity for consultation. Such amounts may be determined by such statistical, sampling, or other method as may be agreed upon by the Work Administrator and the State agency.

On page 38, line 21, after the word "shall" to strike out "on each February 1, May 1, August 1, and November 1," and insert "from time to time"; on page 40, after line 8, to strike out:

Subsection (c) of section 303 of the Social Security Act as amended is hereby amended by adding a paragraph to read as follows:

"(3) Until the expiration of title IV of the War Mobilization Adjustment Act of 1944 that such State has failed to permit the Administrator of the Retraining and Reemployment Administration to determine, in accordance with subsection (d) of section 410 of the War Mobilization Adjustment Act of 1944, the amount by which 'interim placement benefits' exceed benefits which would have been payable under such State law if claims for 'interim placement benefits' had been claims for benefits under such State law."

And insert:

(f) Section 303 (c) of the Social Security Act, as amended, is amended by changing the period at the end thereof to a semicolon and adding the following:

"or
"(3) That payments of interim placement benefits are not being made by such State agency pursuant to and in accordance with an agreement under section 310 of the War Mobilization and Adjustment Act of 1944."

And on page 52, after line 22, to insert:

(n) The term "termination of hostilities" means termination of the war as declared by Presidential proclamation or concurrent resolution of the Congress.

Mr. MURRAY. Mr. President, the principal purpose of these clarifying modifications is to make it absolutely clear that neither I nor any of the other proponents of this amendment to Senate bill 2051 has in mind either to make this measure a post-war National Service Act for the unemployed, or to invade any States' rights. In order to make this abundantly clear I have worked out these modifications, many of which are purely technical to facilitate the administration of the act. However, since these points have been raised, I want to refer particularly to two of these modifications.

The first one may be found on page 29 of the Committee Print No. 2, dated August 9, which Senators will find on their desks.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. TAFT. Looking at the amendment No. 2, which I understand is the pending committee amendment, I find that it still says that the Work Administrator "shall prescribe regulations and issue directives to Government agencies to effectuate the objectives of this title," and the first objective is "to facilitate the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war." It seems to me those words very clearly authorize a national service act, very clearly authorize the Work Administrator to prescribe regulations having the effect of law, to facilitate the mobilization and utilization of the Nation's manpower. I do not see anything in the amendment offered by the Senator in any way limiting the broad powers given the Work Administrator in the original bill.

Mr. MURRAY. That is true, but that is intended to refer also to section 305, which contains this modification:

To the fullest extent practicable the Work Administrator shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Work Administrator may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this title, and each Government agency shall furnish any information and reports so required.

Mr. TAFT. Of course, when the Senator inserts the words "to the fullest extent practicable," he makes the whole sentence entirely meaningless, because the Administrator can find that it is not practicable, and proceed himself. However, that is not my point. It seems to me that under the provisions of sections 301 and 302 the Work Administrator can prescribe regulations for the Selective Service, for instance, to draft men of any age for any work he sees fit to require. I see no limit in the amendment suggested by the Senator which would change that.

Mr. PEPPER. Mr. President, I wonder if the able Senator from Ohio had noticed one of the amendments added by the Senator from Montana to the effect that "No otherwise qualified employee shall be denied interim placement benefits because of a refusal to make application for or accept transportation, training, or education authorized by sections 306 and 307 of this act." That was intended to take it, without any question, beyond the power of the Administrator to make anyone take any job anywhere because of a move from one place to another, or to deny benefits.

Mr. TAFT. Sections 301 and 302 have nothing to do with unemployment compensation at all. They confer powers far greater than those having anything to do with unemployment compensation. They stand on their own feet, without regard to the unemployment-compensation sections of the bill.

Mr. PEPPER. But the able Senator is overlooking the fact that the Murray-Kilgore bill makes it very clear that no grant of authority to any Federal agency

is made other than that which exists now, and certainly in peacetime these war powers would have expired, so that there would be no authority by which the Administrator could possibly do the thing the Senator indicates.

Mr. MURRAY. Of course, these clarifying modifications are modifications which we have a right to make, and which may be discussed later; but I should like to proceed at this time and conclude my statement.

The first of these clarifying modifications is found on page 29 of the Committee Print No. 2, dated August 9, 1944, which Senators will find on their desks, to insert a new subsection (h) in section 309, which provides that no otherwise qualified employee shall be denied interim placement benefits because of a refusal to make application for or to accept transportation, training, or education authorized under the act. This modification will dispel any doubt that the proposed amendment was designed to be a National Service Act for the unemployed.

The second modification to which I wish to call the attention of Senators will be found in subsection (C) on page 34 of Committee Print No. 2 of August 9, 1944. This modification eliminates the authority of the Work Administrator to make any findings with respect to claims for benefits. It provides that the State agencies shall set up impartial tribunals to hear any claimants whose claims for benefits have been denied.

If the Work Administrator believes that there is denial in a substantial number of cases of such benefits to individuals entitled thereto, or that there is a failure on the part of the State agencies to comply substantially with any of the provisions of the proposed act, the Work Administrator is directed to request the Social Security Board to make findings with respect thereto, and if the Board finds that there has been such denial or failure to comply, the Work Administrator will notify the State agency that further administrative payments under title III of the Social Security Act will be withheld until the Work Administrator is satisfied that there is no longer any failure to comply with the act.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. AUSTIN. What State agency does the Senator have in mind when he uses the language "any claimants whose claims for benefits have been denied a fair hearing before an impartial tribunal of the State agency"? What State agency is it?

Mr. MURRAY. The unemployment compensation agency. This provision is lifted out of the present Social Security Act, and thus nothing new is added by the proposed amendment to Senate bill 2051.

Mr. President, I should like to address myself briefly to the issues involved here. The amendment I offered yesterday to Senate bill 2051, on unemployment compensation, added to that bill the full provisions of the reconversion bill, Senate

bill 2061, reported from the Committee on Military Affairs.

My amendment incorporated the provisions of Senate bill 2051 within a broad and well-rounded legislative framework. It provided for a strong and effective Office of War Mobilization and Post-war Adjustment. It provided for clear-cut policies and procedures on the curtailment of war production. It provided a full program of human demobilization. It set forth the first steps in obtaining a program of post-war housing and public works.

The pending amendment to my amendment, however, offers little help to us in the grim days that lie ahead. It is a negative amendment. The amendment proposes to do nothing to meet the dangerous conditions which will arise at the close of the war. It eliminates the Deputy Director of the Office of War Mobilization, whose duty is to assist the Director in discharging the broad responsibilities of both war mobilization and post-war adjustment. It proposes to eliminate the functions of the Director to "survey continuously all rules, regulations, and orders issued by any Government agency exercising control over manpower, production, or materials for the purpose of determining whether any such rules, regulations or orders prevent or hinder the full employment of the Nation's manpower by private employers capable and desirous of resuming, expanding, or initiating production for nonwar use."

It eliminates the industry councils with representatives of industry, labor, and government.

It strikes out important functions of the War Production Board.

It leaves the problem of planning the curtailment of war contracts entirely up to the Director himself, despite the fact that this is an operating function similar to that of the Director of Contract Settlement or the Surplus War Property Administrator. Clearly, this is a task which must be performed by a production and adjustment committee in the War Production Board, operating under the general supervision of the Director of War Mobilization and Adjustment.

But above all, the proposed amendment to my amendment makes a hollow mockery of the program that has been proposed on human demobilization. If any Members of this Senate think they can vote for the pending amendment and then go back home and tell their constituents that they have done something on the "human side" of demobilization, they are sadly mistaken. The words may be there, but the substance is lacking.

The pending amendment to my amendment flatly strikes out the proposed increases in mustering-out pay. The proposed amendment knocks out any specific Federal aid for vocational training and education. Finally, the proposed amendment completely eliminates the Federal standards for unemployment compensation.

Let me elaborate a moment upon what will happen in our country if unemployed workers are to be taken care of under ex-

isting State legislation without the establishment of Federal standards. In 22 States no worker can receive more than \$15 a week in benefits regardless of his previous wages. How can a worker who was accustomed during the war to earning \$40 or \$50 a week get along on \$15?

In some States an unemployed person, no matter how long he is unemployed, can draw only a few weeks of benefits. About half of the States provide less than 17 weeks of benefits.

Unemployment is a Nation-wide problem. It must be met through the development of sound national policy. We might just as well have the States establish 48 offices of war mobilization and adjustment and leave the job of planning reconversion entirely up to them, if we are going to approach the problem of unemployment compensation on a patchwork, State-by-State basis.

When the farmers of this country have asked for assistance in maintaining the prices of agricultural products, did the United States Congress tell the farmers to go back home and speak to their State legislatures? No; we have enacted strong legislation to support our agricultural economy.

When businessmen have asked for protection against post-war losses, did we tell them to go home to their State capitals? No; we have passed tax legislation that provides American corporations with unbelievably generous protection against post-war losses. I am referring, naturally, to the carry-back and carry-forward provisions on losses.

I am no expert on tax legislation, but I know that this one fact is true, and I should like to impress it upon the mind of every Member of the United States Senate:

If business conditions should decline when war contracts are drastically terminated, the corporations of America may get back from the United States Treasury, in tax concessions, the sum total of all normal taxes and excess-profits taxes paid during the previous 2 years.

It has been officially estimated that the total amount of corporation taxes collected in 1943 and 1944 will be \$28,000,000,000. Mr. President, this means that the Government of the United States may be called upon to hand out to American corporations \$28,000,000,000.

I am informed by the Treasury Department that the method of computing how much shall be returned to each corporation is exceedingly generous. While the precise formula is rather complicated, it boils down to this: Our corporations can be repaid their previous 2 years of tax payments at the rate of 81 cents on every dollar of decline in income and on every dollar of loss.

Mr. President, the unemployment compensation benefits provided in the Military Affairs reconversion bill will be paid to people who use the funds for bread and butter, for shoes and clothing, for taxes and rent. The money that is paid to American workers under our proposal will contribute to the purchasing power of the American people and expand the markets for civilian produc-

tion. It will prevent a crisis developing in the post-war period.

On the other hand the liberal benefits that have already been provided for corporations may or may not be put to productive use. There are no strings attached to the tax concessions provided for in the carry-back and carry-forward provisions of the 1942 tax law.

The money that may be paid out to corporations may be invested in new production or it may lie completely idle and contribute to the stagnation of our entire economy.

The contrast between the manner in which the Congress has already dealt with American corporations and the way in which the proponents of the pending amendment intend to deal with American labor is indeed most striking. I can easily predict what the American worker will think when he is released from his war job and if he learns that the Federal Government has made ample provisions for protecting corporations against loss but has disclaimed any responsibility for adequately protecting the workman against unemployment. I can well imagine what the returning soldier and the returning sailor will think when he learns that the United States Congress has agreed to turn back to American corporations the sum total of all normal and excess-profits taxes paid during the war years. I can well imagine what he will say—and what he may do—if he learns that his representatives in the United States Congress have stricken down sound and well-considered proposals to establish Federal standards for emergency unemployment compensation.

I repeat what I have said before. I am no tax expert but it seems to me that at this moment the Members of Congress should do a little studying and a little thinking. First of all, they should study the tax provisions to which I have referred. Perhaps these provisions should be entirely repealed. I am now considering the preparation of an amendment to have that effect. Perhaps we should decide that the taxes that have been paid into the United States Treasury during the course of the war must be kept in the United States Treasury to meet any emergency which may arise, rather than be paid out as "home relief" to American corporations, while at the same time denying adequate protection for the American workman.

Above all, the Members of this Senate should be very careful before they decide how to vote on the pending amendment to my amendment. Careful scrutiny will show that it contributes nothing constructive and that its passage would merely put the Senate on record in favor of a do-nothing policy on the human side of reconversion. Its passage would be a repudiation of all the fine promises and pledges made here on the floor of the Senate when we had the contract settlement bill under consideration. At that time we promised a vigorous and generous approach to the human side of reconversion. This promise must be redeemed now or we shall be considered as having repudiated our pledges.

Mr. President, the philosophy behind the proposal to emasculate the reconversion bill of the Military Affairs Committee is a reactionary philosophy. It is the policy of those who led this country into the great depression of 1929.

The tune may be a little different but the words are still the same. In 1929 this Republican program led to the most severe crisis in our Nation's history. Hundreds of banks failed throughout the country; hundreds of thousands of home owners lost their homes; strong and able men, capable of working and desirous of working, were forced into bread lines; the apple seller became a symbol of what the Republican Party had to offer. When the veterans of the First World War came to Washington to present their case to the American Government, the then President of the United States had them forcibly ejected as though they were an army of invading aliens.

Today, unless we have courageous leadership in this country, we are on the brink of a new economic disaster. Unless we can guarantee the fundamentals of economic security to the American workman, the American farmer, and the American businessman, we are doomed to see a new depression that will make Mr. Hoover's depression of 1929 look like a dress rehearsal.

The Republican Party has a program, I am told. Mr. Thomas Dewey has a program, I am told.

It is a very simple program indeed. Its first principle is to protect the vested interests of American monopoly and American big business behind a thick smoke screen of defending States' rights.

Its second principle is to deny to American labor its rightful share in the national income, and to allow the rapid concentration of huge profits in the hands of business. Some deluded members of the Republican Party may feel that the amassing of corporate profits is the royal road to recovery. They may feel that the piling up of huge corporate reserves is the way to guarantee that business takes risks and invests its capital productively, but they have learned nothing from the experiences of the past 15 years. They have failed to grasp the elementary fact that the overaccumulation of capital will mean idle capital, inasmuch as it will mean the depletion of the purchasing power which is necessary to absorb the products of American trade and industry.

This, in essence, is the program upon which the protégé of Herbert Hoover hopes to recapture control of the United States Government for the Republican Party. I have confidence in the enlightenment and self-interest of the American people; I know that this new bid for Republican power will not be successful. But if it were to be, I can predict that it will mean a return to days of the apple sellers and the bonus marchers. The only difference will be that instead of having Hoovervilles, we shall have Deweyvilles.

The pending amendment, I repeat, expresses the Republican philosophy. I call upon all true Democrats, upon all Members of the Senate who refuse to al-

low the creation of new Hoovervilles and Deweyvilles to vote against the pending amendment.

PROTECTION FOR LITTLE BUSINESS

Mr. O'MAHONEY. Mr. President, I take it that the Senate is about to take a recess until tomorrow; but I desire to submit for printing an amendment to the bill. I now send the amendment to the desk so that it may be printed and available when the opportunity is presented for me to offer it.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. O'MAHONEY. Mr. President, the parliamentary situation which now confronts the Senate is such that the so-called George substitute, or the George amendment, now pending, cannot be perfected. Amendments which might be offered to that amendment would be amendments in the third degree, and therefore could not be received. I am hopeful that the Senator from Georgia [Mr. GEORGE] and the Senator from Montana [Mr. MURRAY], as well as the Senator from West Virginia [Mr. KILGORE] may have an opportunity to examine this proposed amendment before the next session of the Senate, and give consideration to incorporating its terms, or at least its principle, in the pending amendments so that it may be considered by the Senate. Otherwise there would be no possibility of considering it until after the George amendment had been disposed of, in which case it would have to be offered as a more or less irrelevant amendment to the bill reported from the Finance Committee.

JOBS, NOT DOLES, ARE NEEDED

Mr. President, one listening to the debate which has taken place on this bill thus far must have been impressed by the thought that every Member of the Senate is expecting unemployment. We are concentrating our thoughts, not upon creating new jobs, but upon providing doles for the unemployed. The only question, apparently, is the size of the doles. It seems to me that if there is one thought which ought to be before the mind of every Member of the legislative body, and before all the executive bureaus, it is the thought of how we shall be able to create opportunities for employment. I do not like to talk in terms of 8,000,000 unemployed, or 10,000,000 unemployed, or 18,000,000 unemployed, in the times which are to follow the cessation of hostilities, because I do not believe it is necessary to talk in those terms. That is a defeatist attitude. That is a confession of failure. We should not ask the American people to believe that we are going to reconvert successfully merely by providing for interim benefit payments of one kind or another. The bills before us now are only a substitute for employment. The country does not want a substitute. It wants the real thing. It wants the opportunity to work.

We must concentrate our minds and thoughts upon the creation of jobs. One way to do that is to take an effective means of permitting little business to

participate in operations after reconversion. I desire to invite the attention of the Senator from Montana and the Senator from Georgia to the fact that the provisions of title II do not efficiently carry out the ideal of creating new opportunities for employment. I am referring to section 203. Let me read the first paragraph of that section. It appears in both the Murray-Kilgore bill and the George substitute. Section 203 (a) reads as follows:

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by the War Production Board or any other Government agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from achieving reasonable economies of operations in such production.

DEFECTS OF PENDING PROPOSALS

I ask, What is the intelligent interpretation of the concluding clause, "achieving reasonable economies of operations in such production"? What does it mean? Obviously the purpose of this section was to provide that the director should not use the vast powers sought to be conferred upon him to exclude little business; but this provision is drafted in such vague terms that I think it would be impossible of enforcement, because it is impossible to construe.

We proceed to subsection (b) of section 203.

(b) Whenever the War Production Board or such other Government agency releases or authorizes the use of any materials, subject to quotas, production schedules, or any other restrictions, for the production of any item or group of items for nonwar use, it shall set aside a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the Chairman of the War Production Board or the head of such other Government agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation.

What is "a percentage"? One-tenth of 1 percent is a percentage. The administrator might set aside a percentage of such infinitesimal proportions that small business would gain nothing by this provision. This language illustrates the fundamental fault of legislation of this character, which vests in an administrative official broad discretionary powers, which he may use or not use, as he sees fit. No standard is established in this language to govern the discretion of the director in setting aside a percentage for the use of little business.

Mr. President, it must be perfectly obvious that if we are to create jobs we must make certain that little-business operators all over the country shall have an opportunity to obtain as much of the raw materials and other materials which are available as is necessary to operate.

Now let us read the next sentence in this provision:

Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the

chairman of the board of directors of the Smaller War Plants Corporation.

What does it mean to require that the director shall give "consideration" to the claims of the head of the Smaller War Plants Corporation? Mr. President, he might give consideration by reading them and then by throwing them out the window. Certainly we offer nothing to little business by any such provision as that.

If we are going to aid little business, Mr. President, we must roll up our sleeves and go to it. Little business is hampered and hamstrung by the operations of monopolies and cartels and the regulations of Government, and now we propose to clothe a reconversion director with absolute power to say what consideration, if any, shall be granted to the Smaller War Plants Corporation and what allocation of materials shall be made to little business. Then, the definition of little business as one employing 250 persons or less. What about the employer of 300 persons or 251, say?

Let us read on:

In allocating the materials thus set aside among such small plants, such Government agency shall follow the criteria, standards, quotas, schedules, or other conditioning factors to be established by the chairman of the board of directors of the Smaller War Plants Corporation.

Here is an effort, apparently, to correct the defect of the preceding sentence. But here, again, we undertake to say that the head of the Smaller War Plants Corporation is the person who shall set down the criteria, the standards, the quotas, the schedules, or other conditioning factors to be established, to be followed by little business.

This is an excellent illustration of the erroneous method of legislating by granting broad discretionary powers to executive officers. There is no man in Washington, there is no board in Washington, capable of understanding the needs of the little businesses of this country. There is no man wise enough to determine the "conditioning factors" of business, big or little.

A FORUM FOR EVERY BUSINESS

No agency we can set up can, by its own sweet will, properly determine what the businesses in Louisiana, New Mexico, Wyoming, Maryland, Florida, Oregon, or California shall need. If we are going to defend the rights of little business we should create a forum in which any little businessman can come, in which he can show his needs and set up his claim, so that he directly may come to his Government and may say to it, in an open forum, what he should have, so that he shall not be dependent upon the grace and the good will of those who are, by good fortune or bad, administering the acts of Congress.

This bill is drawn, so far as these particular sections are concerned, upon the assumption that it will be administered by fine men, men of good will, men of broad intelligence and understanding, men who can see what all the businesses of America will need. Mr. President, I have no doubt that the administrators who are chosen and who will be chosen

will be men of good will, but I know it will be quite impossible for them to have such a comprehensive view of the needs of the people and the businesses of America as to be clothed by Congress with the unregulated and undefined powers over the life and death of little business.

So, Mr. President, because I have in mind some of the studies which were carried on by the Judiciary Committee on the bill introduced by the eminent and distinguished senior Senator from New Mexico [Mr. HATCH] to provide for administrative bureaus, a study which, unfortunately, was interrupted by the war, a bill which was introduced for the purpose of protecting the citizen from possible abuse or mistakes by the bureaus—

Mr. HATCH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. HATCH. I merely wished to observe that the studies and the bill to which the Senator has referred, in which the Senator from Wyoming is as much interested as I am, were only interrupted by the war.

Mr. O'MAHONEY. Precisely.

Mr. HATCH. The end is not yet, and will not be, until some legislation along that line is enacted by the Congress.

Mr. O'MAHONEY. I was about to remark that the efforts of the distinguished Senator to secure the enactment of legislation of that kind were interrupted by the war, and I know from conversations with him that it is his intention to pursue them.

The purpose of the amendment which I am having printed, but which I cannot offer because of the parliamentary situation, and which I am therefore thus publicly calling to the attention of the Senator from Montana, the Senator from West Virginia, and the Senator from Georgia, is designed to set up by law an appeals board to which the citizen may resort. Let me read the provisions of the amendment. I take the first paragraph of section 203, with a change only of the concluding phrase, the meaning of which, as I have already pointed out, is rather vague:

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of \$10,000 per year, and shall serve for a term of 2 years. When any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or group of items for nonwar use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity forthwith to present his views thereon at a hearing before the Board of Ap-

peals. If at such hearing such person establishes to the satisfaction of the Board of Appeals that as a result of such action his business operations will be seriously interfered with or substantially curtailed because of a shortage of any material necessary to such operations, that his inability to continue business operations will result in a serious unemployment problem for his employees, or that the interests of the consumers of the articles produced or manufactured by such person will be substantially impaired, the Board of Appeals shall make an immediate report thereon to the Director. Thereupon the Director shall allocate to such person such amounts of the material with respect to which the shortage exists as in his judgment will be necessary to prevent substantial hardship to such person, his employees, or consumers.

That, Mr. President, is the substance of the amendment which I trust will receive the sympathetic consideration of the Senators from Montana, West Virginia, and Georgia.

Mr. MURRAY. Mr. President, I wish to say to my distinguished colleague, the Senator from Wyoming, that I have a very high respect for his judgment and knowledge in this field. After listening to his very brilliant argument I am prepared to say that I am willing to accept

his proposed amendment, and make it a part of the modifications which I have presented this afternoon, in order that the Senate may have an opportunity to vote upon it.

Mr. O'MAHONEY. I thank the Senator.

The PRESIDING OFFICER. The Chair rules that the amendment may be further modified accordingly.

DIRECTOR OF WOMEN'S BUREAU—NOMINATION OF FRIEDA S. MILLER

Mr. BARKLEY. Mr. President, there is only one nomination upon the executive calendar. As in executive session, I ask unanimous consent that it may be considered at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the nomination.

The legislative clerk read the nomination of Frieda S. Miller to be Director of the Women's Bureau.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. I ask unanimous consent that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. Mr. President, I have consulted with Senators on both sides of the Chamber, and in view of the desire to facilitate the disposal of the pending legislative proposal as much as possible, and in order that it may be on its way and the Senate reach a vote on the controversial items contained in the bill, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Thursday, August 10, 1944, at 11 o'clock a. m.

CONFIRMATION

Executive nomination confirmed by the Senate August 9 (legislative day of August 8), 1944:

DEPARTMENT OF LABOR

Frieda S. Miller to be Director of the Women's Bureau, Department of Labor.

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

78th-2nd, No. 125

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued August 11, 1944, for actions of Thursday, August 10, 1944)

(For staff of the Department only)

CONTENTS

Adjournment.....5	Lend-lease.....8	Reconstruction Finance
Alcohol.....10	Personnel.....6,8	Corporation.....3
Banking and currency....12	Political activities....15	Small business.....13
Defense program.....7	Post-war planning.....4	Social security.....8
Flood control.....11	Price control.....2	Taxation.....10
Forestry.....14	Property management....1,9	Water utilization.....11

HOUSE

1. PROPERTY DISPOSITION. Rep. Manasco, Ala., received unanimous consent to file the Committee on Expenditures in the Executive Department's report on the property disposition bill before Saturday midnight (p. 6939). Acting Majority Leader Ramspeck announced that the Rules Committee will meet Monday, Aug. 14, to consider a resolution for consideration of the surplus property bill and that the resolution will probably be reported on Tuesday (p. 6940).
2. PRICE CONTROL. Received OPA's 9th quarterly report for the period ended Mar. 31, 1944. (H.Doc.667). To Banking and Currency Committee.
3. RECONSTRUCTION FINANCE CORPORATION. Received RFC's May 1944 report. To Banking and Currency Committee.
4. POST-WAR PLANNING. Rep. Colmer, Miss., received unanimous consent to file the Special Committee on Post-War Planning's interim report before Saturday night (p. 6940).
5. ADJOURNED until Mon., Aug. 14 (p. 6940).

SENATE

6. PERSONNEL. Received from this Department estimates of personnel requirements for the various units of the Department for the quarter ending Sept. 30, 1944. To Civil Service Committee. (p. 6904.)
7. DEFENSE PROGRAM. Sen. Tunnell, Del., was appointed a member of the Special Committee to investigate the National Defense Program, vice Sen. Truman, resigned. (p. 6904).
8. SOCIAL SECURITY; POST-WAR PLANNING. Continued debate on S. 2051, to amend the Social Security Act, as amended (pp. 6906-37). Sens. Aiken, Vt., Shipstead, Minn., and Wiley, Minn., discussed the need for legislation that would consider both labor and agriculture's interests in the post-war era, after Sen. Aiken's motion to recommit the bill to the Finance Committee was rejected. During the debate Sen. Reynolds, N. C., criticizes post-war lend-lease aid to Italy (pp. 6930-1).

BILLS INTRODUCED

9. SURPLUS PROPERTY DISPOSITION. S. 2065, by Sens. Stewart, Tenn., Murray, Mont., and Taft, Ohio, to establish a Surplus War Property Administration for the proper disposal of surplus war property. To Military Affairs Committee. (p. 6905.)
10. TAXATION; ALCOHOL. S. 2066, by Sen. Kilgore, W.Va., for Sen. McCarran, Nev., to amend the Internal Revenue Code and the Federal Alcohol Administration Act. To Finance Committee. (p. 6905.)

ITEMS IN APPENDIX

11. FLOOD CONTROL; WATER UTILIZATION. Sen. Butler, Nebr., inserted Gen. Reybold's address commending river and harbor improvements made by the War Department (pp. A3847-8).
12. BANKING AND CURRENCY. Extension of remarks of Rep. White, Idaho, discussing his "conception of money and the principles of economic law controlling the money function" and inserting Anatol Murad's article, "The Nature of Money" (pp. A3851-57).
13. SMALL BUSINESS. Rep. Kleberg, Tex., inserted a Houston Post editorial defending free enterprise and denying certain alleged criticisms (pp. A3858-9).
Rep. Scott, Pa., inserted his address before the Philadelphia City Business Club on the tax problem of small business (pp. A3859-61).
14. FORESTRY. Rep. McCormack, Mass., inserted a Boston Globe editorial criticizing attempts to liquidate the Jackson Hole National Monument (p. A3861).
15. POLITICAL ACTIVITIES. Sen. Hatch, N.Mex., inserted a Washington Daily News editorial on the Federal Court's ruling concerning the constitutionality of the Hatch Act (p. A3868).

- o -

For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

- o -

S. 2051

IN THE SENATE OF THE UNITED STATES

AUGUST 10 (legislative day, AUGUST 8), 1944

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (S. 2051)
to amend the Social Security Act, as amended, viz: At the
proper place in the bill insert the following new section:

1 SEC. . No officer or agency of the Federal Govern-
2 ment, whether executive, legislative, or judicial, shall in
3 any way prevent or hinder, under the sanction of any
4 Executive order, regulation, or otherwise, any civilian em-
5 ployee of the Federal Government from leaving such employ-
6 ment to obtain or accept employment in any private industry
7 or enterprise.

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (S. 2051) to amend the Social Security Act, as amended.

AUGUST 10 (legislative day, AUGUST 8), 1944
Ordered to lie on the table and to be printed

S. 2051

IN THE SENATE OF THE UNITED STATES

AUGUST 10 (legislative day, AUGUST 8), 1944
Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ROBERTSON to the bill (S. 2051) to amend the Social Security Act, as amended, viz:
At the proper place in the bill insert the following:

1 SEC. . (a) (1) Clause (7) of section 2 (a) of the
2 Social Security Act, as amended, is amended to read as
3 follows:

4 “(7) Provide that payments shall be made only
5 to individuals not gainfully employed and who did not
6 pay Federal income taxes for the preceding taxable
7 year.”

8 (2) Paragraph 1 of section 2 (b) of such Act, as
9 amended, is amended by striking out “sixty-five years” and
10 inserting in lieu thereof “sixty years”.

1 (3) Section 3 (a) of such Act, as amended, is amended
2 by striking out "sixty-five years" and inserting in lieu thereof
3 "sixty years", and by striking out "\$40" and inserting in
4 lieu thereof "\$50".

5 (b) Section 403 (a) of such Act, as amended, is
6 amended by striking out "\$18" wherever it appears and
7 inserting in lieu thereof "\$22".

8 (c) Section 1003 (a) of such Act, as amended, is
9 amended by striking out "\$40" and inserting in lieu thereof
10 "\$50".

78TH CONGRESS
2d Session

S. 2051

AMENDMENT

Intended to be proposed by Mr. ROBERTSON to
the bill (S. 2051) to amend the Social Se-
curity Act, as amended.

AUGUST 10 (legislative day, AUGUST 8), 1944

Ordered to lie on the table and to be printed

RESOLUTIONS ADOPTED BY THE AMERICAN UNITARIAN YOUTH CONVENTION HELD AT FERRY BEACH, MAINE, JULY 6-8, 1944

INTERNATIONAL RELATIONS

Be it

Resolved, That the American Unitarian Youth send the following two resolutions to the President of the United States of America, the United States State Department, and to Members of the House of Representatives and the Senate:

"A. Be it

Resolved, That the American Unitarian Youth recognizes that winning the war is of paramount importance. We urge the home front to continue top production, to recognize and resist Fascist propaganda, and to insure complete military victory which will enable us to make a satisfactory peace.

"B. Be it

Resolved, That the American Unitarian Youth favors a world organization which will have power through economic sanctions and a world police force to regulate trade, to prevent conflict between countries, to help countries to settle by democratic processes internal conflicts which affect world peace, and to be responsible for promoting better standards of living by measures to improve economic conditions and educational and health facilities. Private monopolies and cartels should be restricted and controlled by the world government for the benefit of all people rather than a few. We recommend complete disarmament of all nations. Membership in the world organization should be open to all nations and careful attention should be given to measures to insure equal representation of all peoples of the world. All decisions should be made by majority vote."

FAIR EMPLOYMENT PRACTICE COMMITTEE

Be it

Resolved, That this convention go on record as strongly in favor of a permanent F. E. P. C. We urge our members to work for legislation establishing and strengthening such a body.

ANTI-POLL-TAX LEGISLATION

Be it

Resolved, That this convention is strongly opposed to the undemocratic poll tax and favors Federal legislation to abolish it. We urge local groups to contact and cooperate with existing anti-poll-tax organizations and to bring pressure to bear on their congressional representatives to pass the anti-poll-tax bill if necessary by invoking cloture.

SOLDIER VOTE LEGISLATION

Be it here stated that this convention regrets the actions of Congress which have made it very difficult and practically impossible for our soldier citizens to vote.

Be it further recommended that our members exert every effort to assist men and women in the service in getting all the information needed so that they may vote under existing conditions.

Be it finally recommended that local groups send such information to church members, relatives, and friends in the service.

EXECUTIVE REPORTS OF FOREIGN RELATIONS COMMITTEE

As in executive session,

Mr. CONNALLY, from the Committee on Foreign Relations, reported favorably the following nominations:

Col. William A. Eddy, of New Hampshire, United States Marine Corps, to be Envoy Extraordinary and Minister Plenipotentiary to the Kingdom of Saudi Arabia;

Earl T. Crain, of Illinois, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul;

J. William Henry, of Arizona, to be a Foreign Service officer, unclassified, a vice consul of career, and a secretary in the Diplomatic Service; and

Sundry persons for promotion in the Foreign Service, to be effective as of July 16, 1944.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEWART (for himself, Mr. MURRAY, and Mr. TAFT):

S. 2065. A bill to establish a Surplus War Property Administration; to provide for the proper disposal of surplus war property, and for other purposes; to the Committee on Military Affairs.

(Mr. KILGORE (for Mr. McCARRAN) introduced Senate bill 2066, which was referred to the Committee on Finance and appears under a separate heading.)

By Mr. WALSH of Massachusetts:

S. 2067. A bill to authorize an exchange of lands between the city of Eastport, Maine, and the United States, and the conveyance of a roadway easement to the city of Eastport, Maine; and

S. 2068. A bill to amend an act entitled "An act to extend the time for examination of monthly accounts covering expenditures by disbursing officers of the United States Marine Corps, approved December 26, 1941, so as to extend the time for examination of monthly accounts of disbursing officers and special disbursing agents of the Navy and Coast Guard"; to the Committee on Naval Affairs.

AMENDMENT OF INTERNAL REVENUE CODE AND FEDERAL ALCOHOL ADMINISTRATION ACT

Mr. KILGORE. Mr. President, on behalf of the Senator from Nevada [Mr. McCARRAN], chairman of the subcommittee of the Committee on the Judiciary, which is investigating the liquor industry, I ask unanimous consent to introduce a bill to amend the Internal Revenue Code and the Federal Alcohol Administration Act, which, if passed, will effectuate the recommendations of the subcommittee. The Senator from Nevada asks that the bill be referred to the Committee on the Judiciary.

Mr. BARKLEY. Mr. President, apparently the bill affects the revenues and the Internal Revenue Bureau. I think the Committee on Finance has jurisdiction of such legislation, rather than the Committee on the Judiciary.

Mr. KILGORE. I do not think the bill deals with the question of revenue. The bill proposes an amendment to the Revenue Act, but is not directly concerned with the question of revenue. The Senator from Nevada has asked that the bill be referred to the Committee on the Judiciary, and I present his request.

Mr. BARKLEY. All legislation dealing with revenues has been handled by the Committee on Finance. I do not know whether the Senator from Georgia [Mr. GEORGE] has had his attention called to the bill, but I think, until it has been looked into, reference of the measure should be withheld.

Mr. GEORGE. I shall be glad to examine the bill at the earliest opportunity. The VICE PRESIDENT. Reference of the bill will be withheld temporarily.

The PRESIDING OFFICER (Mr. CHAVEZ in the chair) subsequently said: The Senator from West Virginia [Mr. KILGORE], on behalf of the Senator from Nevada [Mr. McCARRAN], this morning introduced a bill and asked that it be referred to the Committee on the Judiciary. It is the opinion of the present occupant of the Chair that it should be

referred to the Committee on Finance, and it is referred to that committee.

There being no objection, the bill (S. 2066) to amend the Internal Revenue Code, as amended, and the Federal Alcohol Administration Act, as amended, introduced by Mr. KILGORE (for Mr. McCARRAN), was received, read twice by its title, and referred to the Committee on Finance.

EXTENSION OF UNEMPLOYMENT COMPENSATION—AMENDMENTS

Mr. BUTLER and Mr. ROBERTSON each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 2051) to amend the Social Security Act, as amended, which were ordered to lie on the table and to be printed.

SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM—LIMIT OF EXPENDITURES

Mr. MEAD submitted the following resolution (S. Res. 319), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, agreed to on March 1, 1941, and subsequent resolutions, relating to the investigation of the national defense program, hereby is increased by \$100,000.

A LIVING MEMORIAL—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "A Living Memorial," delivered by him at Whitefish Bay, Wis., which appears in the Appendix.]

RIVER AND HARBOR IMPROVEMENTS—ADDRESS BY MAJ. GEN. EUGENE REYBOLD

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an address by Maj. Gen. Eugene Reybold, Chief of Engineers, delivered before the National Rivers and Harbors Congress, New Orleans, La., on July 27, 1944, which appears in the Appendix.]

INDUSTRIAL PEACE—ADDRESS BY PAUL L. STYLES AND EDITORIAL COMMENT BY THE ATLANTA JOURNAL

[Mr. HILL asked and obtained leave to have printed in the RECORD an address on industrial peace, delivered by Paul L. Styles, vice chairman of the fourth regional war labor board, before a meeting of personnel directors and labor officials at Brunswick, Ga., on August 2, 1944, together with an editorial from the Atlanta Journal of August 2, 1944, which appear in the Appendix.]

CREATING PEACE—EDITORIAL FROM BIRMINGHAM NEWS-AGE-HERALD

[Mr. HILL asked and obtained leave to have printed in the RECORD an editorial entitled "Creating Peace," published in the Birmingham News-Age-Herald of July 16, 1944, which appears in the Appendix.]

RECONVERSION OF INDUSTRY—ARTICLE BY ARTHUR KROCK

[Mr. VANDENBERG asked and obtained leave to have printed in the RECORD an article entitled "A Bill To Make Unemployment Blissful," written by Arthur Krock and published in the New York Times of August 10, 1944, which appears in the Appendix.]

CONSTITUTIONALITY OF THE HATCH ACT

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article and editorial from the Washington Daily News of

August 9, 1944, relating to a favorable ruling on the constitutionality of the so-called Hatch Act, which appear in the Appendix.]

RELATIONS WITH POLAND—ARTICLE BY
FRANK C. WALDROP

[Mr. REYNOLDS asked and obtained leave to have printed in the Record an article entitled "Our Great Doublecross," by Frank C. Waldrop, published in the Washington Times-Herald, which appears in the Appendix.]

EXTENSION OF UNEMPLOYMENT
COMPENSATION

The Senate resumed the consideration of the bill (S. 2051) to amend the Social Security Act as amended.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE] to the first Murray-Kilgore amendment, so-called, as modified, striking out all after section 101 of said amendment and inserting in lieu thereof certain language.

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Revercomb
Andrews	Gurney	Reynolds
Austin	Hatch	Robertson
Bankhead	Hawkes	Russell
Barkley	Hayden	Scrugham
Brewster	Hill	Shipstead
Brooks	Jackson	Stewart
Buck	Johnson, Calif.	Taft
Burton	Johnson, Colo.	Thomas, Utah
Butler	Kilgore	Tobey
Byrd	Langer	Truman
Capper	McClellan	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	Maloney	Wagner
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Weeks
Downey	Murray	Wherry
Eastland	O'Daniel	White
Ferguson	O'Mahoney	Wiley
George	Overton	Willis
Gerry	Pepper	Wilson
Green	Radcliffe	

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Louisiana [Mr. ELLENDER], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. McCARRAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. BUSHFIELD], the Senator

from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], and the Senator from Idaho [Mr. THOMAS].

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

Mr. TAFT obtained the floor.

Mr. TOBEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. TAFT. I yield.

Mr. TOBEY. Mr. President, I have received a telegram from Mr. Maurice F. Devine, chairman of the national legislative committee of the American Legion, with reference to the legislative proposal now pending in the Senate. I ask unanimous consent that the telegram be read by the clerk at this time.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

WASHINGTON, D. C., August 9, 1944.
Hon. CHARLES W. TOBEY,
United States Senate,

Washington, D. C.:

With respect to proposals reference war mobilization and post-war adjustment now before Senate known either as Murray-Kilgore bill, George bill, or the amendments, the American Legion disapproves (1) any proposal to place veterans administration under direction or control of any other governmental agency on matters as to which it presently has jurisdiction over veterans problems or the preparation and administration of regulations, instructions, or procedure relating to veterans such as in sections 102, 301 and 302 of the Murray-Kilgore bill or amendment and sections 102, 301, and 302 of the George amendment; (2) to classifying civilian workers with war veterans in the matter of retraining and reemployment such as in title III of the Murray-Kilgore bill and amendment and title III of the George amendment; (3) to granting education, retraining or unemployment benefits to civilian war workers, not otherwise covered, on the same basis or in excess of similar provisions for war veterans as provided by Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong.), such as in sections 307 and 309 of Murray-Kilgore bill or amendment; (4) to establishment of Retraining and Reemployment Administration which in any manner will usurp or encroach upon duties and responsibilities of Veterans' Administration under Servicemen's Readjustment Act 1944, such as in sections 301 and 302 of the Kilgore-Murray bill or amendment and sections 102, 301, and 302 of George amendment; (5) to extending education, retraining, or unemployment benefits to persons who are not citizens of the United States and have not shown disposition to become such as is done in sections 307 and 501 (j) of Kilgore-Murray bill or amendment; (6) to any proposal which centralizes at Federal level rather than State level the administration of any social security benefits or unemployment compensation such as in sections 102, 309, and 312 and related sections of Kilgore-Murray bill and amendment; (7) to attempt to federalize the operation of the national system of public employment offices such as in section 306 (b) of the Kilgore-Murray bill and amendment; (8) to the conflict, duplication, confusion, and uncertainty created by section 307 Murray-Kilgore amendment which covers the same subject matter in whole or in part of Public Laws 16, 113, and title II of Public Law 346, Seventy-eighth Congress; (9) both Kilgore-Murray bill and amendment and George amendment will destroy several months' work and nullify

progress which has been made in acquisition of experienced, qualified personnel and perfecting administrative organization and plans to effectuate titles II, IV, and V of Public Law 346, Seventy-eighth Congress and will postpone and set back effective operation of that act for whose benefits hundreds of war veterans are daily clamoring, and will further retard and postpone preparation necessary to meet post-war adjustment problems of both war veterans and the Nation. These objections do not imply approval or disapproval of other provisions contained in this legislation not referred to.

MAURICE F. DEVINE,
Chairman, National Legislative
Committee, the American Legion.

Mr. GEORGE. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield.

Mr. GEORGE. With reference to the telegram from the chairman of the legislative committee of the American Legion, which has just been read at the desk, I beg to make an observation at this time. The Murray-Kilgore bill would actually repeal title V of the G. I. soldiers' bill of rights. The amendments in the George amendment, to which reference is made, were lifted directly out of the Murray-Kilgore bill with perhaps no changes. But the amendment offered by me is not intended—and that will be made abundantly clear—to interfere with, to deprive the Veterans' Administration of jurisdiction, or to split the jurisdiction of the administration of the veterans' bill already passed by the Congress.

Mr. President, if the Senator from Ohio will further permit me, I should like to send to the desk and have read at this time two telegrams, one from the far-away State of Montana endorsing the George bill, and the second from a State in the Southeast, the progressive State of North Carolina, with reference to the Murray-Kilgore bill.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read the telegrams, as follows:

HELENA, MONT., August 10, 1944.
Senator WALTER F. GEORGE,
United States Senator,
Senate Office Building,
Washington, D. C.:

Have read with care S. 2051 which you have introduced and wish to briefly express appreciation of this Montana agency. If your bill passes we think social-security program will be greatly strengthened and there will be some local participation so necessary to successful administration where a program comes in touch with millions of affected individuals. We think this bill would greatly strengthen unemployment compensation and encourage States to liberalize their laws in a common-sense manner. We feel confident this will occur in Montana if Congress favors your measure. With best wishes,

UNEMPLOYMENT COMPENSATION
COMMISSION OF MONTANA,
BARCLAY CRAIGHEAD, Chairman.

RALEIGH, N. C., August 9, 1944.
Hon. WALTER GEORGE,
United States Senate,
Washington, D. C.:

Representing the prevailing sentiment in North Carolina, I have today wired to each of our Senators as follows: "The sentiment in North Carolina is overwhelmingly against any federalization of unemployment compensation, and it is the feeling here that the bill proposed by Senator GEORGE in respect to

protecting State controls represents the soundest position. I earnestly hope that you will find it possible to oppose any measure which involves higher turning over to the Federal Government the control of this important function, which has thus far been admirably administered by the States, or giving to the Federal Government the control of the State agencies dealing with this fund. Any revisions or supplements that may be needed in connection with this service can be adequately handled through existing State agencies."

J. M. BROUGHTON,
Governor of North Carolina.

Mr. TAFT. Mr. President, with reference to the telegram from the American Legion, nearly all the criticism is directed to the provisions of the Kilgore bill, except in one respect. So far as I can see, the George bill would in no way change in any respect the rights of any veteran, nor does it propose anything which would transfer any powers from the Veterans' Administration. The only thing which is apparently criticized is the provision of section 302, which places the Work Administrator, who would have general charge of what we may call the problem of human demobilization, in an over-all position so far as the Veterans' Administration is concerned.

In other words, I take it that the objection of the American Legion, so far as the George bill is concerned, is confined to the creation of this office, which in a way would be superior to the Veterans' Administration. That question might also arise as to the office which the President has already created, except that the President has seen fit to appoint as retraining and reemployment administrator General Hines, who is also the head of the Veterans' Administration. So no conflict has developed under the executive agency. I assume that the objection of the American Legion is that the two offices might be held by different persons, and that someone might be able to boss the Administrator of Veterans' Affairs. I believe that question should be considered. As I see it, that is the only objection in this telegram to the provisions of the George bill.

Mr. President, the question of post-war conversion was first dealt with by the Baruch committee report. That report was made on February 15, 1944. It received very general commendation from all the newspapers in the United States. It was generally accepted as a program for post-war conversion. So far as I can see, the Kilgore bill has practically neglected the Baruch report and thrown it to one side. It proposes an entirely different program. Why the Baruch report was not sooner written into legislation I do not know. At this point in my remarks I ask unanimous consent to have printed in the RECORD the summary index of recommendations A, B, and C of the Baruch report because I think that report shows the basis for our whole reconversion legislation, particularly as embodied in the George bill.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

PART III. SUMMARY INDEX OF RECOMMENDATIONS

A. HUMAN SIDE OF DEMOBILIZATION

1. That the Government forces dealing with the human problems of demobilization

be unified on two fronts—the executive and Congress.

2. On the executive side, creation in the Office of War Mobilization of the new post of Work Director to "see that the human side of demobilization is not forgotten."

3. This Work Director to be a man of such outstanding caliber as "to command the immediate confidence of the country."

4. This Work Director to work with Congress in the development of a combined program of legislation and operations "to carry out the objectives that all of us share."

5. Among the fields to be covered by this Work Director—personnel demobilization of the armed forces, developing adequate machinery for job placement of veterans and demobilized war workers, adequate care for returning veterans, physical and occupational therapy for wounded and disabled, resumption of education interrupted by war, vocational training, the special employment problems of the great war industries, and others.

6. That there be in each community only one place to which returning servicemen and servicewomen need to go to learn all their rights and how to get them.

B. SETTLEMENT OF TERMINATED WAR CONTRACTS

1. To assure quick cash pending settlement, a complete financial kit is assembled, including:

(a) Immediate payment—the full 100 percent—for all completed articles.

(b) On the uncompleted portion of the contract, immediate payment—the full 100 percent—of the Government's estimate of factual items, where proof ordinarily is simple, such as direct labor or materials, and of other items on which the Government is able to satisfy itself, up to 90 percent of the contractor's total estimated costs.

(c) Immediate payment—the full 100 percent—of settlements with subcontractors as soon as approved.

(d) Payment by the Government of interest on termination claims until settled.

(e) As insurance against delays in validating claims, a new simplified system of T (termination) loans by local banks, with Government guaranties, to be available to all war contractors, primes and subs.

(f) For those unable to obtain such loans from their local banks in 30 days, the Government to make the loans directly.

(g) Until the new T loans are authorized by Congress, extension of V and VT loans to all eligible borrowers.

(h) Finally, for hardship cases, unable to use any of the tools outlined above, expedited settlements.

2. Quick, fair, and final settlement through negotiation by contractors and procurement agencies.

3. As a more effective safeguard of the public interest than the kind of review suggested by the Comptroller General:

(a) Review powers of Comptroller General limited to fraud with every administrative aid for detecting fraud.

(b) That all sizable settlements be made by teams of negotiators.

(c) These teams to file written reports and keep full records of the bases of settlement.

(d) Contractors to keep records for 3 years.

(e) That the Comptroller General and the Attorney General be added to the Joint Contract Termination Board.

(f) Further administrative safeguards now under study.

4. Establishment on an operating basis of a Joint Contract Termination Board within the Office of War Mobilization, to unify procedures and policies of all agencies:

(a) The Board chairman to be a civilian, independent of any of the procurement agencies, answerable to the Director of War Mobilization.

(b) This chairman to require progress reports from all agencies and to report regularly to Congress.

(c) Also to maintain a running survey of the extent to which V and VT loans and the new T loans are taken out.

(d) To keep a constant eye on all aspects of contract settlement recommending any changes that become necessary.

(e) The War Production Board be added to the Joint Contract Board.

5. Spread acceptance by war contractors of the Uniform Termination Article for fixed-price contracts.

6. Speed the handling of subcontractor claims:

(a) The procurement agencies to be authorized by legislation to protect subcontractors in event of insolvency or default of their customers.

(b) A standard termination article for subcontractors to be completed soon to supplement the uniform termination article for prime contractors.

(c) A minimum figure to be set by the Director of War Mobilization below which nuisance-sized claims can be immediately validated with suitable safeguards.

(d) Vigorous experiment with the so-called company-sized type of settlement, seeking a workable plan.

7. Schools to be set up around the country for training Government negotiators and contractor representatives in the same classrooms.

8. Prompt clearance of Government property from private plants not later than 60 days after the filing of inventory lists, the manufacturers having the right to remove and store the property earlier at their own risks.

9. This entire termination program to be put into effect by the agencies at once to the extent administratively possible.

10. Prompt enactment of legislation to make this program fully effective, including appropriate authority to permit company-wide settlements, to the extent found practicable.

C. SURPLUS PROPERTY

1. The Director of War Mobilization to name a Surplus Property Administrator in the Office of War Mobilization with full authority for handling every aspect of surplus disposal.

2. A Surplus Property Policy Board, the Administrator as chairman with full and final authority, and with these agencies represented: War, Navy, Treasury, Reconstruction Finance Corporation, Maritime Commission, War Production Board, Bureau of the Budget, the Food Administrator, the Attorney General, Federal Works Agency, State Department, and Foreign Economic Administration.

3. Four major outlets to handle actual disposal, each in a clearly defined field, with no overlappings:

(a) Consumer goods to the Treasury Procurement Division.

(b) Capital and producer goods, all types of industrial property, to a single corporation within the Reconstruction Finance Corporation, consolidating present R. F. C. subsidiaries.

(c) Ships and maritime property to the Maritime Commission.

(d) Food to the Food Administrator.

4. All of these agencies, as well as any other agencies called upon to handle special disposal problems, to follow policies laid down by the Administrator in consultation with the Policy Board.

5. The Surplus Administrator to report to Congress as soon as possible on legislation needed, basing his recommendations on actual experience with the problem.

6. Our own suggestions as to the broad policies that the Surplus Administrator may wish to follow are summed up in 10 basic principles:

"1. Sell as much as he can as early as he can without unduly disrupting normal trade.

"2. Listen to pressure groups, but act in the national interest.

"3. No sales, no rentals to speculators; none to promoters.

"4. Get fair market prices for the values with proceeds of all sales going to reduce the national debt.

"5. Sell as in a goldfish bowl, with records always open to public inspection.

"6. As far as practicable, use the same regular channels of trade that private business would in disposing of the particular properties.

"7. No Government operation of surplus war plants in competition with private industry.

"8. No monopoly; equal access to surpluses for all businesses; preference to local ownership, but no subsidizing of one part of the country against another.

"9. Scrap what must be scrapped, but no deliberate destruction of useful property.

"10. Before selling surplus equipment abroad, assure America's own productive efficiency on which our high wages and high living standards rest."

7. The Surplus Administrator to be a man of proven executive capacity, business sagacity, unquestioned integrity, and great courage to fight off the selfish interests who will be seeking to exploit these surpluses.

8. The facts on all sales to be open to public inspection, with regular reports from each disposal agency to Congress.

9. All of the disposal agencies to make effective use of industry advisory committees.

10. The disposal agencies to lease as well as sell, to exchange properties, to sell on credit—but leasing must not become a hidden device for Government ownership or subsidies.

11. The Army and the Navy to examine their inventories of the most critical civilian items to see what can be safely released during the war for the civilian economy without hurting the war.

12. Surplus Administrator to study how to centralize the handling of real property, also, to explore the possibilities of beginning to liquidate Government holdings.

13. The closest cooperation between the War Production Board and the Surplus Administrator so that controls do not necessarily hinder disposition by unduly limiting potential buyers, particularly in assuring prompt disposal of small quantities of surplus materials.

14. The Surplus Administrator and the disposal agencies to have available to them in carrying out their policies the entire field force of all of the various agencies, including the services.

Mr. TAFT. Mr. President, the summary includes three parts. The first is the human side of demobilization, under recommendation A. That part relates to the Work Director.

Recommendation B relates to the settlement of terminated war contracts. That subject was dealt with in a bill which Congress has already passed.

Recommendation C deals with surplus property. That subject is dealt with in a bill introduced today by the Senator from Tennessee [Mr. STEWART]. I hope that bill may be reported in some form by the Military Affairs Subcommittee before Monday of next week.

Those are the three things which the Baruch report recommended, and those are the things which we are now considering. As I have said, we have already disposed of the question of a Director of Contract Termination. The bill introduced by the Senator from Tennessee today would set up a Director of Surplus Property for surplus property disposition. The current discussion of the pending bill should therefore deal with the third subject, that of the human

side of demobilization, as covered by the Baruch report. The powers proposed to be given the Work Director in the Baruch report are nothing like those proposed in the Kilgore bill.

The second function of this bill is to set up an over-all agency, headed by a Director of War Mobilization and Reconversion. It is proposed to continue the Office of War Mobilization, which is an over-all agency for war purposes, as an over-all peace agency over the other three agencies. Therefore, the questions which we have before us deal, first, with the general over-all agency, laying down certain principles of legislation, and, second, creating a Work Director to have some general supervision over the problem of the human side of demobilization.

I wish to discuss the amendment offered by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE].

In the first place, the first paragraph, title I, section 101, would set up an over-all Director. The powers proposed to be given are rather comprehensive. The George amendment is substantially the same, except that it makes somewhat more clear the fact that no additional powers are intended to be conferred. The language of the George amendment is as follows:

Nothing contained in this section shall be construed as authorizing any activities which are not within the scope of the powers possessed by the President or the executive agencies under existing law or future acts of the Congress.

So it is intended merely to give the over-all Director power to coordinate the programs of other agencies.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Did the Senator say that that was a provision of the George amendment?

Mr. TAFT. I said that was a provision of the George amendment. There is a somewhat similar provision in the Murray-Kilgore bill, although it is not quite satisfactory. That provision is:

Nothing contained in this section shall be construed as authorizing any activities to carry out any plan formulated under this section which are not within the scope of the powers possessed by the President or the Government agencies under the Constitution or under provisions of law other than this section.

I do not know just what powers the President has under the Constitution once the war is over, to carry out any plans. I do not like to imply that he has any powers that are not derived from Congress. I do not know what they are.

Mr. PEPPER. I understand the Senator to say that the two bills are essentially in agreement in not conferring additional authority.

Mr. TAFT. As to the creation of the Director; but the Murray-Kilgore bill further provides that he shall—

evaluate and report on current and projected public and private activities affecting war mobilization and peacetime full production and employment; survey continuously the necessity for such additional programs of legislation as will achieve the objects of this act; promote and assist in the development

of war mobilization and post-war adjustment plans and surveys by other Government agencies; such surveys shall include (without being limited thereto) programs and measures for public works, housing, taxation, industrial and regional development, expansion of foreign trade, social security, and the maintenance of competitive enterprise.

In other words, that would give him full power, as I see it, to set up a new National Resources Planning Board, such as the one which was abolished by Congress last year. In fact, I have no doubt that if that provision were enacted into law, the same individuals who were operating the National Resources Planning Board, most of whom are now scattered among other agencies, would be again placed on a National Resources Planning Board.

The bill also provides for an assistant director, who is not provided for in the George bill. He is called a deputy director. He would receive a salary of \$10,000 a year.

It shall be the function of the Deputy Director and the Division of Programs and Projects to assist the Director in discharging his responsibilities under subsection (c) of this section.

(c) In addition to any authority which the President may delegate to him, the Director shall, subject to the direction of the President and with the assistance of the Deputy Director—

And so forth. In other words, as I see it, we would have a sort of Knudsen-Hillman concept again. It is proposed to set up a board with two individuals at the top, the second of whom must always be consulted. I do not know whether this bill was in any way inspired by Mr. Hillman, but I cannot help thinking that the position which is proposed to be created is one which is designed for a man with the labor views of Mr. Hillman.

The bill proceeds and confers rather broader powers than are given in the George bill. The Director is given power to administer a Government agency to rescind, modify, or amend any regulation or order.

Then there is created something called a National Production-Employment Board, consisting of three representatives of industry, three representatives of labor, three representatives of agriculture, and one public member who shall be the chairman—a kind of special-interest bill.

Mr. WILEY. In which bill is that provided for?

Mr. TAFT. In the Kilgore bill. In the George bill provision is made for the creation of a committee consisting of three members of the same kind; but the committee provided for in the George bill is merely advisory to the Administrator. Apparently the Kilgore bill considers that the Board shall have certain powers of its own, for it provides—

(b) It shall be the general function of the Board to review the programs and activities of the Director and other Government agencies with respect to war mobilization and post-war adjustment and make to the President, the Congress, and the Director such recommendations relating to legislation, policies, and procedures as it may deem necessary to achieve the objectives of this act.

In other words, the Board will review everything the Director does, and will

rush to the President whenever the Director does anything they think is not suitable or is not in accord with what they think should be done.

In addition to that, on page 8, in subsection (e), it is provided that—

The Director, with the advice and consent of the Board, shall—

(1) establish industry advisory councils for the various industries, and area advisory councils for various geographic areas, which are substantially and directly affected by the policies, programs, and operations of Government agencies performing functions subject to the jurisdiction of the Office.

In other words, these industry committees are to be something like the former N. R. A. committees. They are going to decide how much production should be allowed. The whole thing contemplates, as I see it, a full control of production for some 2 or 3 years after the war, and these committees are to be the means of carrying it out, particularly industry committees made up of industrial members and labor members or made up of all labor members, so far as the bill provides, for the provision is that the Director may appoint anyone he wishes to serve on these industry and area advisory committees. It is recognized that this may threaten a kind of monopoly control in violation of the anti-trust laws, because down at the bottom of the page it is provided—

That full information on all such councils shall be submitted to the Attorney General and no such councils shall continue any operations or activities which the Attorney General finds and certifies to the Director tend to promote the restraint of trade or the extension of monopoly.

It is pointed out by Mr. Arthur Krock that if the Attorney General approves of an N. R. A., he can merely withhold any opinion, and then the committees can go ahead with any plans they choose to formulate, or any industry codes.

It seems to me that the whole tone of the Kilgore bill in title I indicates a completely integrated control of industry, labor, and everyone else for a period of 3 years after the war, whereas all that the Baruch report recommends and all that the George bill does is to create an over-all Director who shall have general power to coordinate the plans of the various agencies of the Government under the powers which have been conferred upon the Government.

There is quite a strong provision in section 201 (b).

Mr. DAVIS. On what page is that to be found?

Mr. TAFT. On page 11. In that provision the War Production Board is given extensive power. The bill now steps outside the Director of War Mobilization and Adjustment, and goes to the War Production Board. The bill provides that it shall permit the expansion of plans and shall have the right to tell the War Department it must permit civilian production to resume. Conceivably, we might give that power to the over-all Director of Mobilization such as Mr. Byrnes; but certainly I do not think Congress wishes to bestow upon the War Production Board the right to say that a

certain industry shall now begin to operate, even though the War Department thinks its operation will interfere with the successful prosecution of the war.

When we reach page 11 we find that the Murray-Kilgore bill begins to interfere with the whole operation of the termination-of-contracts bill. For instance, on page 12, in paragraph (2), the Director is authorized to—

(2) Establish policies and procedures to be followed by the contracting agencies in the curtailment, nonrenewal, and termination of contracts, to include as he may deem necessary the submission of detailed programs for approval.

So that having passed the contract-termination bill and having worked it out with the House at great length, the Senate is now asked to proceed to give someone else the power to change the whole thing; and by subsection (d), on page 13, we would even repeal a part of the contract-termination bill. Of course the George bill does none of that.

I do not intend to deal with the whole question of unemployment compensation, but we come to the question of the Work Administrator and the powers which are given to him. He is under a general director, but he is given these extensive powers:

The Work Administrator shall prescribe regulations and issue directives to Federal agencies necessary to effectuate the objectives of this title and all such Federal agencies shall be governed by these.

He is given power to prescribe regulations to effectuate the objectives of the title. Every court of which I know would consider that to be a delegation of legislative power to make regulations having the effect of law.

Mr. WHITE. Mr. President, let me suggest that the Senate is not in order. In particular, let me request that conferences which are being held be held outside the Chamber, rather than in it. There has been confusion for half an hour.

The VICE PRESIDENT. The Senate will be in order.

Mr. TAFT. Mr. President, what are the objectives of that title? The first objective is—

(a) To facilitate the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war.

In other words, by regulations to effectuate "the objectives of this title," the Work Administrator can clearly prescribe a national service act. He may do anything "to facilitate the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war." The War Manpower Commission is doing something along that line without much authority; but once this bill is enacted into law, the Work Administrator, it seems to me, may issue any order he pleases regarding the impressment of men into work, requiring them to work, drafting them for any work he sees fit.

The second objective is—

(b) To maintain maximum employment in the transition from war to peacetime production.

Under that it appears to me that the Work Administrator could prescribe regulations for a complete P. W. A. and could establish a P. W. A.

We have talked about abolishing bureaus. The Work Administrator could establish more bureaus, under the Murray-Kilgore bill, than the Senator from Virginia [Mr. BYRD] could abolish in the course of 3 years of the hardest kind of work.

The third objective is—

(c) To provide for the coordination of the demobilization of servicemen with employment opportunities under a policy of demobilizing servicemen as rapidly as the military situation permits.

The Work Administrator could issue regulations binding the Army and Navy as to exactly how they should proceed to demobilize servicemen.

The fourth objective is—

(d) To provide necessary training of ex-servicemen and war workers.

Under that objective the Work Administrator could certainly set up a new and bigger N. Y. A., and could proceed to set up a general Federal plan of training—an N. Y. A., or a C. C. C., or any other bureau he might see fit to set up.

The fifth objective, finally, is—

(e) To provide the necessary economic assistance to returning ex-servicemen and war workers in connection with transfer, training, and reemployment.

In other words, he may authorize any spending he sees fit to authorize and may set up any bureau to engage in such spending.

The only restraint which I can see on the Work Administrator is that if he wishes to spend some money, of course he has to come back to the Congress to get the appropriations in order to have the money to spend. But we have seen how effective that restraint is in trying to check the establishment of bureaus. Bureau after bureau has been set up in the Government during the war without any authority from Congress. I do not know how they financed themselves for the time being, but finally they have come to Congress and have obtained the financing necessary to enable them to continue.

Of course, Mr. President, the Murray-Kilgore bill goes further than unemployment compensation. It provides for transportation; namely—

The Work Administrator is hereby authorized to pay the cost of transportation of workers and ex-servicemen, including transportation of dependents and household effects, from their last previous residence to new jobs, in accordance with such regulations as may be prescribed by the Work Administrator.

That seems to me to give the Work Administrator power for the next 3 years to move people all over the United States at Government expense. Whenever a man wanted a new job, or the Administrator thinks there ought to be more workmen in one place, and fewer in another, any workman could be moved back and forth across the country.

Under the George bill he would be permitted merely to obtain the money in

order to return home. If he did not wish to go home he could indicate one other place to which he wished to go. As I read the George bill, there would be only one payment to those who are away from home and are offered transportation to their homes. In my opinion, there may be cases in which a number of persons will be stranded at a plant in the country, or at some place in the desert, and there should be authority by which relief could be granted in that kind of a situation and the persons who are stranded in those places brought back to the places from which they came. But under the Kilgore bill there would be an indefinite power granted for the next 3 years to move people all over the United States at Government expense.

Under paragraph (b) of section 306 there is the following language:

The United States Employment Service shall be continued as a nationally operated system of public employment offices for a period of 2 years after the termination of hostilities as proclaimed by the President or by concurrent resolution of the Congress.

That means that the U. S. E. S. is to be continued for 2 years. The Congress is asked to tie its hands as to any further disposition. I see no reason why any provision of that kind should be made at the present time. The United States Employment Service is now proceeding under war powers. It will continue until the termination of hostilities, and then there should be worked out a joint State pay-roll employment system so that the matter of employment can be turned back to the States, to be operated in connection with the unemployment-compensation bureaus of the various States. That is what every State wants. The States turned over those powers only because the President demanded it following Pearl Harbor. He insisted upon the transfer being made, and nearly every Governor stipulated that the powers should be returned to the States just as soon as the war came to an end.

The next provision dealing with vocational training has been somewhat changed by the amendment which has been offered. So far as I can see, however, it is not substantially different. It still provides for 6 months of training, Government compensation at the rate of \$50 a month for a man without dependents, \$75 a month if he has one dependent, and \$100 a month if he has two or more dependents. Those rates apply while he is engaged in receiving 6 months of vocational training.

Of course, we supply educational facilities to soldiers. But I am unable to see the parallel between soldiers and workmen who have already been engaged in war work, and who presumably have learned the general character of the work in which they have been engaged. They have learned and are familiar with a trade. I feel confident that in nearly every case those men are prepared to look after their own training, or to go to the State training institutions which have been established and supported partly by Federal funds. Some time ago, last year as I recall, Congress passed a retraining and reemployment bill. The bill provided that the Federal Government

should give assistance to State systems. Such a provision is entirely adequate.

The whole attempt to draw a parallel between ex-servicemen and workmen seems to be entirely wrong. Ex-servicemen are serving in the war for as little as \$50 a month. During the same time nearly all civilian workers have been receiving wages which are much higher than were ever before paid in the United States. We have sold more than \$25,000,000,000 worth of E bonds. That amount constitutes a reserve with which to take care of needy people. In addition to that, the currency of the United States has increased from \$6,000,000,000 to \$22,000,000,000, which must represent a very considerable amount of savings in cash.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. May I remind the distinguished Senator from Ohio that as of last April there was approximately \$107,000,000,000 in our banks, representing \$10,000,000,000 of Government funds, plus about \$62,000,000,000 of demand deposits, and \$34,000,000,000 plus of savings deposits.

Mr. TAFT. That should be added in part to the currency and to the E bonds to which I have referred in estimating civilian savings. The Army and Navy put on a drive for the sale of E bonds, and they have received excellent responses, considering what the soldiers receive in the way of wages, but the actual amount of bonds sold to the soldiers and sailors as of today is about \$815,000,000. While the men and women in the service have been able to buy \$315,000,000 worth of bonds, the people at home, because of the wages which they have been receiving, have been able to buy approximately \$24,500,000,000 worth of E bonds. Certainly no parallel can be drawn between what the Government owes to the servicemen and what it owes to workmen who have been working in war industries at reasonable civilian wages and, in many cases, high wages.

The mustering-out pay, which was provided by the G. I. bill, is proposed to be nearly doubled. It was satisfactory to the soldiers and was worked out in a compromise between the Senate and the House. There seems to be no reason to increase the compensation except that since we are throwing away money to the workmen, it is thought that we must increase the compensation to the soldiers by some parallel provision.

I wish to say a word or two with reference to unemployment compensation. I believe that those who have drawn the pending bill have entirely misconceived the real purpose of unemployment-compensation insurance. Unemployment compensation insurance is not supposed to be relief. It is not supposed to meet a great relief crisis. In England and in this country the period during which compensation may be paid is limited to 26 weeks. The payment is in cash. It is intended merely to insure the workman against recurrent periods of unemployment. It has always been contemplated that if it is impossible to get

a workman back to work in 6 months, something else must be done.

Nearly every social plan I have ever seen proposes that when the period of 6 months comes to an end provision must then be made for work relief if there still exists a severe unemployment crisis. Some type of work relief should be worked out between the States and the Government, and if there is any such crisis as that to which I have referred we shall have to develop some plan in order to get men back to work. But the purpose of unemployment compensation is merely insurance. It is intended to give money as an incident to the work which has already been done. Some part of the men's wages has been put aside by the employer in order to create a fund. The argument that we should now undertake to deal with the unemployment insurance problem on the theory that there will be a great depression, is entirely erroneous. It has been pointed out that we attempt to base unemployment insurance on the number of dependents which the beneficiary may have, and that it is not unemployment compensation. What is provided here is not unemployment compensation. It goes beyond the purpose of unemployment compensation. The States have provided what unemployment compensation is to be. The compensation may be low in some States, but living costs may be low in some States. When a man is receiving something without working there is always the danger that he may make no effort to obtain work, and many of the States have felt that the compensation should not be more than \$15 a week. I believe that the increase in living costs warrant the compensation being increased to \$20 a week in some States, and in other States to \$25. But that is a matter for the States to determine.

If we are to provide for relief we must do something entirely different. We cannot do it merely by paying people a dole. If there is to be any such unemployment as has been suggested here, we must provide some great general plan of work relief.

Furthermore, unemployment is a very uncertain term. No one has ever made a very satisfactory census of unemployment. Should every man who wants a job be counted as unemployed? Are we to undertake to provide work for two, three, and possibly four workers in a family even though one man in the family has a very good job? What about the two or three million housewives who have been working in the shops? Strictly speaking, when they return to their homes and give up work they should not be counted as unemployed. I do not know whether they are included in Mr. Altmeyer's figures, but it seems quite obvious that if the wife of a soldier was working while her husband was abroad, and discontinued her employment after he returned home, she should not be counted as unemployed. Yet if she lists her name as willing to take work she will get that benefit for anywhere from 3 to 5 years, because obviously there is not going to be work for those women. There is always going to be a priority for servicemen, anyway. So she can with

perfect safety list her name for work and be quite confident she is not going to be required to work. So I say that this bill in its general dishing out of money to everybody goes far beyond any purpose of unemployment compensation.

Mr. President, we face a tremendous Budget after the war. The most conservative estimate of Government expenditures after the war I have seen is \$17,000,000,000 a year. I think \$20,000,000,000 is much closer to it. There will be \$6,000,000,000 for interest alone in all probability; there will be four or five billion dollars for current Government expenses; there will be at least \$5,000,000,000 for the Army and Navy on a permanent basis. I discussed the matter last night with a man who is familiar with it who thinks the Army and Navy are planning on a post-war expenditure of from seven to eight billion dollars, instead of \$5,000,000,000. I would hope it could be held to \$5,000,000,000. Under the plan we have adopted, we are certainly going to pay at least \$2,000,000,000 a year for the veterans for hospitalization alone. The bill for the last war is about \$600,000,000, and I should think that, without considering the provisions of the G. I. bill, except as to hospital service, there will be required \$2,000,000,000 a year for hospitalization as a permanent feature. Many of the provisions of the G. I. bill are simply temporary, which perhaps we can charge to the cost of the war. So, in my opinion, we are going to have an annual Government expenditure of \$20,000,000,000, and no one, so far as I know, has devised a tax measure that will raise that much money. I do not know how it is going to be raised. The present tax bill raises about \$45,000,000,000 a year on a national income of \$150,000,000,000, which cannot possibly be continued. If the national income is reduced to \$120,000,000,000, the present tax system might raise something like \$25,000,000,000, but certainly everyone agrees that it will be necessary to cut the taxes on individuals; it will be necessary to cut the taxes on corporations if the people are to have opportunity to work at all, if industry is to be stimulated. There are various plans. One proposes to cut corporation taxes and another wants to cut the individual taxes, but if we are going to raise anything like seventeen or twenty billion dollars of revenue, we are bound to have a very heavy tax burden under any circumstances.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Does the Senator from Ohio yield to the Senator from Florida?

Mr. TAFT. I yield.

Mr. PEPPER. Is it not obvious from what the able Senator has just said that the only way to bring about an adequate revenue is to get a higher national income?

Mr. TAFT. I think that is obviously true. The only way a country can be prosperous is to remain prosperous. That is all the Senator's suggestion implies, because that is how the national income is maintained. If the implication is that we can get a large national

income on a permanent basis by spending more money, I think the implication is entirely wrong. I think obviously we must levy taxes that will meet our necessities. It is said that many new things must be done by the Federal Government because the States cannot do it. It is said they cannot do it because they have not the taxing power. Therefore, it has to be done by Federal taxation. But what evidence is there that we can raise more than \$20,000,000,000 a year in normal peacetimes without choking incentive to death? Who has devised such a system? What is the basis of assumption that the Federal Government can find a tax system to give it unlimited money to spend for every single purpose?

I believe very strongly that if we are to be successful at all, we must limit Government expenditures. We cannot go on collecting vast sums of billions of dollars year after year to be paid out by the Government to individuals throughout the United States.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from California.

Mr. DOWNEY. Do I understand correctly that the distinguished Senator has expressed the opinion that we will not be able to maintain a national income of \$150,000,000,000 in peacetimes?

Mr. TAFT. I certainly do. If we can go over \$120,000,000,000, I shall be very much surprised. We have a \$150,000,000,000 national income, superinduced by Government spending amounting to \$90,000,000,000 a year. That will be cut to \$20,000,000,000, we will say, and the other purchasing power cannot be replaced, in my opinion. I am hoping that we can get to \$120,000,000,000, but I do not think we can go above \$120,000,000,000.

Mr. DOWNEY. May I further ask of the distinguished Senator if it is not agreed by economists both from the conservative and the radical group, as well as by industrialists, that general employment in the United States in the post-war era on a 40-hour week, with the soldiers returned and the women and other extraordinary workers out of employment, would produce within a year or two \$150,000,000,000 national income?

Mr. TAFT. No; I do not think that is agreed at all. I do not see how we can possibly tell whether we can employ all the people who want work or not until we actually try it. I hope we can. Obviously we cannot employ them at present day take-home wages. That is an impossibility on the basis of anybody's figures. In any event my point is that we are going to have a tremendous tax burden at best. If we go on in anything like this manner, we are going to wreck the United States; there can be no question about that. Either the tax burden will be so heavy that industry cannot operate—and if the present corporation tax structure is maintained there will be no incentive to go into business or to continue in old business—or the business tax burden will be so heavy as gradually to destroy private enterprise and cause the Government to take over, thereby bringing about a form of State socialism.

Or resort will be had to the alternative philosophy, which the proponents of this bill seem to espouse, of borrowing money at a rate of from ten to twenty billion dollars a year and increase the national debt by that amount. That would mean real inflation.

We have had a hard enough time to hold prices to present levels because of the Government deficit. People are willing to save and submit to controls in time of war but they will never submit to them in times of peace. If we continue with a deficit of \$15,000,000,000 a year—and that is about what it is—we will undoubtedly force prices up until there is brought about complete inflation, which will wreck our whole economic system. If we are going to go forward we will have to balance the budget. We are going to have a hard enough time to deal with a debt of \$300,000,000,000, and if we are going to add to it constantly every year it will not be very long until the whole structure breaks down.

We must consider all the proposed expenditures. That proposed by this bill is only one; there are a dozen other bills proposing expenditures of billions of dollars which, if they are all enacted by the Congress, will build up to something like an annual budget of \$50,000,000,000 a year, and if we start in peacetime with that kind of a budget we will find there is nothing left of this country and the institutions under which we have grown up with and which incidentally have made this country the rich and powerful and successful nation it is.

Mr. President, the Murray-Kilgore bill violates every principle of sound government in the post-war era. In the first place, it suppresses local self-government; it places in the Federal Government all control of labor, all control of unemployment compensation, all control of reemployment. In the second place, it delegates complete legislative power. I suppose there is no Senator here who has not said he is in favor of Congress passing the laws and not giving the power to some bureaucrat to do so. Yet it is proposed, by the pending bill, simply to hand over to some bureaucrat the power to make any law and, in effect, do anything he thinks necessary to help in this supposed post-war emergency.

In the third place, it would destroy individual liberty, because it would impose an N. R. A. control over all industry, and impose a work administrator's control over all individuals.

Finally, it proposes unlimited spending. It adopts the theory that every problem we have to meet is to be solved simply by more Government power and more Government spending. There is no Member of the Senate who has not talked against bureaucracy and the establishment of bureaus, yet here it is proposed that we establish a whole series of new bureaus to deal with every problem which Congress itself has not adequately considered.

The alternative, the George bill, is a simple bill which does no more than provide the implementation of the Baruch plan and the report of the

George post-war committee made last spring, which was very much in accord with the Baruch plan. We can solve our problems by sound principles just as well as we can by some kind of Federal panacea of spending. We have an existing system of State unemployment compensation. There has been built up \$6,000,000,000 in the unemployment compensation funds to take care of just the emergency that is contemplated. If it is thought the benefits are not adequate, why does not the C. I. O. go to the State legislatures? I have no doubt that the same pressure that is being brought here, if brought on the State legislatures, would produce a \$20 weekly wage in any legislature I can think of, because it is recognized that the benefits may have been low, that costs of living have gone up, and that \$20 is reasonable.

The George bill provides simple power to the Work Administrator to go over the whole retraining problem and submit further recommendations to the Congress, if it seems that the present system should be expanded. But there is a State system of vocational education, there is a retraining system already established, supported in part by Federal funds. We do not have to give the Work Administrator power to set up an entirely new system, and the George bill does not do that.

In general, what American workmen want is opportunity to find jobs. They do not want to be ordered around. I do not believe they are interested in more unemployment compensation. Most of them have saved their money. They want to take a little vacation in their own time, and then look for the jobs they want, and they want to do that by themselves. What is proposed by the George bill is that the Federal Government give them the information necessary, and assist them to obtain employment. That is what the American workman has always done, and that is what he will do after the present war.

Finally, the George bill provides no vast plan of Federal spending. Altogether it would add somewhat less than a billion dollars to the total expenditures after the war, and it would not provide for that permanently, because the expenditure will have to be taken up by unemployment compensation taxes. The Federal Government will have to figure hereafter, when it employs people, that it will have to pay some unemployment compensation insurance, so that Federal employees will also have insurance.

Mr. President, in the Murray-Kilgore bill we have a plan which would be absolutely destructive of the entire American economy after the war. As against that we have the George bill which implements the Baruch report, which gives the Government power to deal with the situation in an intelligent American way, and which will, I feel confident, be far more likely to produce prosperity and jobs than a plan which will be advertised as a general Government attempt to continue complete regulation and lavish Government spending for at least 3 years after the termination of the war with Germany.

Mr. PEPPER. Mr. President, the action of the Senate on the pending bill will indicate to the country, and particularly to those affected by it, the attitude of the present Congress toward the post-war problems which are rushing toward us. The decision we make upon the controversial part of the bill will be a fair signpost to those who are watching Congress to see how well we are going to guide the country through that very dangerous period. If the Congress shall indicate, in the first approach to those problems, that it is thinking more in terms of dollars than in terms of human lives, human standards of living, and human happiness, we will be choosing the material over human and spiritual values in our great national life.

Mr. President, I am sorry the able Senator from Ohio did not spend more of his time in discussing what are the real essentials of the bill, rather than the part of it which might be called the verbiage; what, it might be said, are the leaves as compared to the trunk of the tree.

The Senate has before it two measures. The base bill is the George bill, and the other proposal is the Murray-Kilgore bill. The George bill as originally presented to the Senate provided for Federal loan funds to be made available to the several States in case they depleted their unemployment-compensation funds. In addition to that, it blanketed into coverage, under unemployment-compensation provisions, certain classes of our people—Federal workers and others—totaling, we will say, three and a half million of our citizens. That, essentially, is all the bill attempted to accomplish.

The Murray-Kilgore bill, on the other hand, endeavored to present a comprehensive plan, a comprehensive program and procedure, which would attack the post-war problem upon all fronts, and endeavor successfully to meet the dangerous challenge of that time.

It provided in title I machinery by which the Federal Government might effectively deal with that problem, for we here in this Congress had seen the necessity for coordinating the activities and the authority of the various agencies and departments of the Federal Government. We saw this Nation launched into this great war without such centralized authority, without such a coordinating agency in the Federal Government. We saw the person of the President of the United States as the only one who could reconcile the conflict and the clash of several agencies and formulate a program and a policy for the Government of the people of the United States.

Here in the Senate, Mr. President, there was initiated long ago a war mobilization proposal which contemplated the necessity of setting up, other than in the person of the President, some authority in Washington which could fully mobilize the power and the might of the Federal Government. Before that proposal was enacted into legislation the President by Executive order provided for setting up the War Mobilization Board, and appointed as its Director and

Chairman the able Mr. Justice James F. Byrnes, and everyone will admit that since that was done there has been a great improvement in the efficiency and the effectiveness of our governmental effort and in the waging and the winning of the war.

I could tell from my own experience of case after case in which the Government of the United States was utterly frustrated, incapable of accomplishing such a small task as getting some barges built to put on the inland waterways of this country with which to move petroleum in a period of great petroleum shortage. Six different Federal agencies, each having a limited sphere of authority and power, were unable to have any barges built because there was not any one person in Washington who could bring them all together to get the job done.

So, all of us, Mr. President, were convinced that if we were to meet effectively the post-war challenge, the Government of the United States, if it were to act at all, had to have authority vested in some individual other than a busy President, who could bring together all the various agencies into a single and harmonious policy and program. That is what the Murray-Kilgore bill provided in title I.

Later on, when the George amendment to the Murray-Kilgore measure was proposed to the Senate, something comparable to that was embodied in the amendment of the able Senator from Georgia, recognizing the same necessity, and I commend the able Senator for his usual enterprise and enlightened course in also embodying in his measure a similar provision on that subject.

Mr. GEORGE. Mr. President—

The **PRESIDING OFFICER** (Mr. DOWNEY in the chair). Does the Senator from Florida yield to the Senator from Georgia?

Mr. PEPPER. I yield.

Mr. GEORGE. Will the Senator permit me to say that many months ago I introduced, together with the Senator from Montana [Mr. MURRAY], a bill numbered as S. 1730, which did deal with these problems.

Mr. PEPPER. I am glad to have the Senator make that statement. Of course he has always been forward-looking in respect to such matters. What I wanted to say was that we are in substantial agreement now concerning the necessity of setting up some broad authority in our Government to mobilize the full might of the Government of the United States in meeting the challenging post-war problems.

Mr. President, I am not disposed to quibble or to quarrel as to whether title I of the Murray-Kilgore bill or title I of the George amendment is preferable or more perfect in setting up this form of machinery. I dare say that either one of them would do an excellent job, and both sponsors are to be commended for coming so nearly to a common course upon the details and being so nearly in accord with respect to the principles which should apply in setting up such an agency.

The George amendment, provided for in the Murray-Kilgore bill, eliminates the deputy director. It is almost a super-human job for the director personally to attend to all the jobs that will come before him in his capacity as director. I think it is wise for us to give him a deputy director to whom he may delegate a measure of his authority. I believe it will result in more effective action if we do so; but whether we do that or not is of relatively little importance as to the essentials of this measure.

Title II, Mr. President, in both the George amendment and in the Murray-Kilgore bill, provide for what is called industrial demobilization and reconversion. There again, Mr. President, the sponsors of both measures realize the necessity of coordinating our production program for war with our demobilization program, and the stimulation of our peace economy in the days after our great victory. So, while I think some may have a legitimate preference for one or the other, it is not very vital to the essentials of the program whether we adopt one title II or the other title II, so far as the economy of this country after the war is concerned.

I proceed, therefore, Mr. President, to the essential part of this controversy, title III, in the Murray-Kilgore bill, as compared with title III in the George amendment. Title III of the Murray-Kilgore bill provides four essentials about which I wish to speak. The first is this: Title III of the Murray-Kilgore bill provides a period of training not to exceed 6 months for a civilian employed in this country, or a veteran who has had less than 90 days' service on active duty, and therefore is not eligible for the training provided by the G. I. bill. In this category I include soldiers, sailors, airmen, marines, who served in the war, and the ladies who served in the auxiliary branches, but who served less than 90 days and are not eligible for the training provided in the G. I. bill; any such individual, or any qualified employee, as provided in the Murray-Kilgore bill, which means practically every employee in the United States, save the self-employed and save the domestic worker, is entitled to be provided by the Work Administrator with training up to 6 months.

Why? For what purpose? In order that the man or woman, the boy or girl, may be taught skills which will enable them to make a decent living, to be better citizens, and to enrich the economy of this great country. That is what it is for. We have discovered what can be done in a short period of effective training. We have trained literally tens of millions of our men and women so as to enable them to go from one job to another. We have made use of their latent capacity. We have taken a farm boy and made a mechanic of him. We have taken a girl who never worked outside the household and made her an efficient welder. We have taken the mother and the housewife who had never had experience outside the home, and have made her an effective and gallant soldier for winning the war. That is what we have done. We have discovered that by using the money and the means of the

Federal Government, we can transform a nation of unemployed to a gallant army of war workers, doing the greatest job war workers ever have done in the history of the world. That is why that provision is in the Murray-Kilgore bill. We have seen now how quickly an individual can be trained to be a welder or mechanic or a craftsman or artisan. We have taken individuals out of their homes. We have taken them from their fields and their farms. We have taken them from the counter behind which they clerked. We have taken them out of the offices and the stores. We have taken them from the highways, Mr. President. Now those individuals must find their way back to the paths of peace. They must find an opportunity again to help their country, which is still concerned about their contribution to its security and prosperity. The Murray-Kilgore measure says to the workers of America, "We also value what you can do for your country in the days of peace comparable to what you have accomplished in our period of war crisis."

Mr. President, it is easy for a Senator drawing \$10,000 a year, living the rather comfortable life that we Senators live, rather above the hardships of the little people for whom we are trying to legislate in this measure, to say "Very well, let these folks find their own way." Yes, Mr. President, we can let them find their own way. Where will that way lead them? It will lead the masses of them to impecuniousness and to poverty. It will lead them to the bread lines. It will lead them to another W. P. A., Mr. President, where they will have to meet the humiliating conditions of a means test. It will lead them to continued poverty, to continued ill-health, to continued ill-housing. It will lead them to keep their children out of school. We as well as they will pay the price of the sacrifice to which it will condemn them.

Mr. President, I say we have made a sensible proposal in the Murray-Kilgore measure. Let us say to these war workers, "You have learned how to be a welder, you have learned how to be a mechanic, you have learned to build a ship, you have learned to build a tank, you have learned to build an airplane. Now we want to teach you how to build radar for homes in days of peace. We want to teach you how to build instruments for television. We want to teach you how to build more radios than we have ever had. We want to teach you how to build the best automobiles and the best airplanes. We want to teach you how to build prefabricated houses. We want to teach you how to carry on the greatest economy on earth, to build the prosperity of the United States of America. We are teaching you to help the Nation while you help yourselves."

What is proposed, therefore, Mr. President, is that we say now, under the supervision of the program by the Federal Work Administrator, "You may have up to 6 months' training, but while you are receiving such training we will provide for your subsistence. You must eat, you must have a place to sleep, you must have a shelter over your head, you must have medical care, and even a little rec-

reation. We will give that to you for a 6-months' period."

Mr. President, do Senators wish to say to the war workers of their States, "No; we will not give you that"? Do Senators wish to say to the people of their country in the days which lie ahead, "We will deprive you of what those retrained men and women can build for you, in things as well as in money and wealth"? Is that profligacy, Mr. President, or is that a wise investment in the greatest field of investment that has ever been in the vista before human eyes? That is God's field of investment, men, women, and children. Yet, Mr. President, our friends, in the name of economy, in the name of statesmanship, in the name of States' rights, will deny, if they prevail, those opportunities to the men and women, boys and girls of America.

Let me comment upon the much used term "States' rights." I think the greatest right in all the world is the right of a man, woman, or child to what the Constitution of the United States guarantees him—life, liberty, and the pursuit of happiness; and any right which contravenes that right that man is heir to is an inferior right, Mr. President. Whether it be the right of a State or the asserted right of anyone else, it must take a position subordinate to the greater right of men, women, and children to live fruitful and righteous lives with their fellow men under their God.

Many of us have had to make a choice between property rights and human rights. Any man who sits in the Senate must make that decision many times. If we must now make a choice between so-called States' rights and human rights, many of us will find it an easy choice to make.

That is the first thing, the retraining program, which the George amendment, for reasons satisfactory to the sponsor, does not afford. The second is the mustering-out pay benefit, which the Murray-Kilgore bill provides to the veterans of our wars. Let me read a paragraph which will summarize the situation as it now exists, as it would be should the Murray-Kilgore bill become law.

I add that the George amendment does not provide a penny of additional mustering-out pay for any veteran. It does not deal with the subject at all. It leaves the matter just where it was and is in the legislation which is already enacted.

The Mustering-Out Pay Act of February 1944 provides a payment of \$100 for a service man or woman with less than 60 days' service. That is the existing law. It provides \$200 for those with more than 60 days' service, and \$300 for those who serve overseas. That is the present law. That is what a veteran will receive if the Murray-Kilgore bill is not enacted into law.

But if the Murray-Kilgore bill should become law, these are the benefits which the veteran would receive:

Equal monthly installments would be paid at the rate of \$100 if the serviceman were without dependents; \$125 if he had one dependent; and \$150 if he had two or more dependents. Every serviceman would receive a minimum of two

installments. That means that if he were single, with no dependents, he would receive two installments of \$100 each, or a total of \$200, with an additional installment for each year of active service. If he remained in the service for a year on active duty he would receive another \$100, which would make \$300. Then he would receive another installment for every year of overseas service. If that year of active service were a year of overseas service, he would receive another \$100, which would make \$400.

So at the present time, and under the present law, a veteran would receive \$300 if he were on active duty and overseas for 1 year; and if the Murray-Kilgore bill should become law, and he were on active duty and overseas for 1 year, he would receive \$400. If he had dependents he would receive more. There is therefore a reasonable increase in the mustering-out pay which the veteran would receive.

Thus every serviceman, under the Murray-Kilgore bill, would receive at least \$200, as compared with the \$100 minimum to which he is now entitled, while a serviceman with two dependents who had seen a year of active service any part of which was overseas would receive \$600 as compared with the \$300 to which he is entitled under existing law.

It is not grossly unfair to say that this bill would approximately double the mustering-out pay for the veterans of this war. There again, those who believe in economy, those who think they are conservative statesmen, those who desire to legislate with caution, say, "That is too much. That is too high a reward for a soldier." We dare to say that, Mr. President! That is too much for a man who was at Cassino, or Corregidor, or Bataan, a man who fell from the sky like an eagle with a broken wing, a man who was a prisoner of war, a man who was in Normandy, a man who finally, Mr. President, will be in Tokyo or Berlin! That is too much?

I do not care whether every conservative in America thinks it is too much or not. It is only a question of time when they will get it. We can choose to delay until they take it, or give to them as a matter of grace and gratitude, Mr. President; but believe me, they will come and get it. God speed the day when they will come. This time the kind of government which the people have in Washington will determine whether they are to be met with open arms and recognized, or whether, at the point of a bayonet, they are to be driven out of the Nation's Capital, to which they come to exercise the right of petition. That happened once, and I have heard that history repeats itself. Let us hope it will not. For the security of America, I venture to believe it had better not happen.

I believe that the maximum benefit under the Murray-Kilgore bill would be about \$1,000. Do Senators remember the days when statesmen rose in this body and in stentorian tones said that America would be ruined and wrecked if we paid the bonus to the soldiers of the last war? I believe it was to have cost \$2,000,000,000 or \$3,000,000,000 to pay

the bonus. It became a great political issue. Everyone who was in favor of paying the bonus was regarded almost as a Communist. An expenditure of \$2,000,000,000 or \$3,000,000,000 to pay the bonus was going to wreck the economy of the United States. That simply goes to show how shortsighted the people were just a little while ago. I wonder if we are going to be as shortsighted in the Senate in this good year 1944. Yet today Senators are honestly agitated about a maximum benefit of \$1,000 to a prisoner on Bataan, a man who was in "the death march." Whether this bill passes or fails to pass, 5 or 10 years from now some Senator will rise in his place and say, "My colleagues, can you believe that back in 1944, in the age of congressional obsolescence, Senators actually said that it was too much to pay \$400 to a soldier who had 8 months in Italy, or had been across Africa, or had marched, with a plume flying as high as that of Henry of Navarre, toward the enemy's bastions?" That is just an observation, Mr. President.

So that is the second provision which is contained in the Murray-Kilgore bill which the able and distinguished Senator from Georgia [Mr. GEORGE] has not incorporated in his amendment.

Third, Mr. President, is the question whether the veteran's dependents are given some recognition. Under existing law, the G. I. bill of rights, which provides for unemployment compensation to the veteran, a veteran with no dependents receives \$20 a week—a flat sum—no more, no less. A veteran with a wife and five children receives no more, no less. But the Senate did not pass the G. I. bill of rights that way. In the G. I. bill the Senate passed it provided for exactly the benefits the Murray-Kilgore bill provides. It allows up to \$15 a week extra for the dependents of the veteran.

So a veteran who has a wife and who, therefore, has one dependent, under the Murray-Kilgore bill would not receive \$20 a week, as the G. I. bill of rights provides, but would receive \$25 a week. A veteran with a wife and one child, or with two dependents, would not receive \$20 a week, as provided for under the present G. I. bill, but would receive \$30 a week for those two dependents. Under the Murray-Kilgore bill a veteran with a wife and two children, or with more than two children, would not receive \$20 a week, as now provided under the present G. I. bill, but would receive \$35 a week. Mr. President, \$15 a week multiplied by 4 weeks is \$60 a month, which, at least, would be provided by the Murray-Kilgore bill for the veteran's family.

But under the present law, Mr. President, when the veteran comes home, even if he is unemployed because he cannot get a job, he and his family will receive less than they are now receiving. That is simple arithmetic. Today the dependent of a soldier or sailor—his wife—receives \$50 a month for herself. She receives \$30 a month for the first child and \$20 a month for each additional child. Therefore, if she has two children she receives \$100 a month. I believe the soldier keeps \$28 for his own immediate needs, and the rest of the allowance re-

ceived by his family is taken from his pay. But we see that the soldier with his \$28 a month and the wife with \$100 a month for herself and their two children are now receiving a total of \$128 a month, plus the allowances for the soldier's food, clothing, and hospitalization. But even if the soldier has a wife and six children waiting for him when he returns from the war, and if when he returns he finds that, through no fault of his own, he is unable to get a job, the maximum amount of money that family would have to live on would be \$80 a month under the provisions of the G. I. bill. We propose to increase that allowance.

Again the issue is presented. Is it doing too much to give a maximum of \$145 a month to a man who has risked his all and to a wife and two or more children who waited behind in those dark hours of anguish and concern for him, waiting for him to come back? Mr. President, it does not mean much to the Government of the United States. There are some Senators so fortunate that it does not mean much to them if they have \$15 more or less a month. But to many families it determines the nourishment their bodies will have, not to say whether they will get to go to a picture show, whether the children will receive the care of a dentist, whether they will receive the care of a doctor, or whether they will receive care at a hospital.

Mr. CHAVEZ. —Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CHAVEZ. Along the line of the suggestion made by the Senator from Florida, an instance of what he has described is called to my mind. A week ago Saturday night there came to my home a soldier of the United States Army who left a little town in New Mexico, and left there his wife and seven children. I know that the income of that poor soldier in the little country town in which he lives does not reach \$500 a year; but still, when he goes to do his duty, and leaves his family, we worry about what small amount of money Uncle Sam is going to give them.

Mr. PEPPER. I thank the able Senator for his contribution.

Mr. President, I wish to say a word of commendation for the able junior Senator from Montana [Mr. MURRAY]. He is a modest and unassuming gentleman. I do not know whether he will be permanently displeased with me for mentioning it, but I should like to say that I understand the Senator from Montana personally is a very rich man. He has in his heart the milk of human sympathy and kindness, and his liberal record in the Senate has shown a solicitude for the privations of others, with which he has had no personal experience, at least not in his later life. I am glad to see that. I think the country has a great deal for which to feel a little ashamed when it comes to its treatment of these boys who have had so little and who have been asked to give so much to the society which has given them so little.

Mr. President, in this country in 1939, of all men and women fully employed and paid by wages or salaries 50 percent

received less than \$100 a month. What kind of a standard of living did that income provide, even on the average, let alone for those at the bottom of the ladder?

Mr. CHAVEZ. Mr. President, will the Senator further yield to me?

Mr. PEPPER. I yield.

Mr. CHAVEZ. We speak a great deal about the American standard of living, but standards are based upon the capacity to keep up. In view of the wages which have been paid in the past and in view of the income of the average American citizens, how can they keep up the American standard of living?

Mr. PEPPER. It is absolutely impossible.

Mr. President, I have before me some items to indicate the budget of the average American family. Senators who are in opposition to the stand I and other Senators with similar views take propose that the veteran and his family shall live on \$80 a month. Even if the veteran has only himself to maintain, what kind of a standard of living can he have when he receives \$80 a month? If he has a wife, what kind of a house can he and his wife live in? He is a man who should be one of the prime heroes of the earth—an American soldier. What kind of shelter, what kind of food, what kind of clothes can he have? Mr. President, we would not do too much if we put that man on a pedestal, so as to assure that wherever he went people would doff their hats and would say, "There goes an American soldier," or "an American sailor," or "an American marine," or "an American airman." Yet we say to him and his wife, or to him and his wife and two children, or to him and his wife and three children, or to him and his wife and four children, or to him and his wife and five children, "\$80 a month is what you get."

Well, Mr. President, it is going to be one of the great dramas of history when these boys return. The other day I read the story of one of these boys who, with his own hands, had slain over 60 Germans in combat. He returned to this country, and suddenly, without her knowing, he was in America, burst in upon his "mom" in his old home. We can imagine the electric emotions which swept between that returning son and that longing mother. His next mental step would be to look around, and to say to himself, "This is how mom lives in the country for which I offered my life out there in those trenches and fox holes. This is how little brother lives. This is my sister's lot. This is my old dad's pitance—the pittance that he has for his security." Those boys are going to do a lot of thinking, Mr. President. Those boys are not going to be concerned about themselves. The newspaper account says that the particular boy to whom I have referred had his pocket picked in Naples, and came home broke.

I hope that someone—and I am sure they did when they heard the story—had the great satisfaction of sending an anonymous check with the message "Go and enjoy yourself, from somebody who appreciates you." But, Mr. President, when he finally returns home to look around, and is unable to find a job, he

will go down to the office of the Federal Government and they will say to him, "Here, son, here is your first payment at the rate of \$20 a week." He will have a little experience with it. It will be all right for the first few days, perhaps, but after a month has passed, and he has to give up the house in which his wife lived during his absence, or his wife is compelled to reduce the standard of board at the table, or the family budget is reduced, then the story will be a different one. Many soldiers will not complain. But eventually there will come a time when the soldier to whom I am referring will lie awake. There will perhaps be an explosion out in the street. He will jump and take in his arms his children and tremble. Then he will become calm and will meditate and will reflect. Next day he will meet some fellows down at the corner, perhaps, who are not quite so stable as he, and they will tell him about their lot and their affairs, and they will say things that he will not like. We are not brewing stability, Mr. President, when we say that those men shall receive less than what is their right and due.

So whether we are right or wrong, the issue is, Shall we do what the Senate did once before and provide for the dependents of veterans? The choice is a simple one, because Senators will recall that the amendment sponsored by the able Senator from Georgia is not a divided one, but it is whole. We are to vote for titles I, II, and III as provided for in the Murray-Kilgore bill, or for titles I, II, and III as presented by the able Senator from Georgia. That is the third thing, Mr. President, which goes to the heart of the controversy.

The fourth is the matter of unemployment compensation. Mr. President, we all know that in 1935, not the State legislatures, mind you, but the Congress of the United States, enacted legislation which led to the establishment of the unemployment compensation systems in the several States. In effect the Congress said to the States, "If you will set up unemployment compensation programs, and if you will meet nine Federal conditions"—and I am speaking on the basis of the law which I have in my hand, and on the basis of the conversation which I had this morning with the chairman of the Social Security Board—we will assist you. Those nine conditions do not directly relate to the qualifications of those who will receive unemployment compensation, but it is very directly required that the administration of the various State laws, financed by the Federal Government, shall be under Federal standards. So, Mr. President, it is no new thing to the States to have the Federal Government say, "These are standards which are in the public interest and which you must meet if you receive Federal money."

For purposes satisfactory to itself, the Congress decided that a large measure of autonomy should be granted to the States in connection with the administration of the unemployment compensation laws. I think the Congress, under the conditions existing at that time, and at the beginning of the experiment, acted wisely. The States by now have all

adopted workmen's unemployment compensation laws.

But, Mr. President, it will be recalled that the several States have limited the amount which is to be made available to an unemployed worker, and the period of time covered by the unemployment compensation. In other words, there is a limit on the amount which the unemployed worker may receive, and the time within which he may receive it.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MURRAY. Yesterday the distinguished senior Senator from Ohio [Mr. TAFT] stated that he would like to see an increase in the amounts payable under the States' administration of unemployment compensation. He said that he would like to see the amount increased to \$20 a week or even to \$25 a week. Can the Senator from Florida inform us as to how any such increase in the payments of benefits by the States could be accomplished?

Mr. PEPPER. The only way in which any increases can be made in the amounts now paid by the States is by the State legislatures meeting and enacting laws providing for the increase. The amendment of the able Senator from Georgia would not in any way effect any increase in the present amounts. The hope has been expressed on the floor that legislatures will act. I am sure that in the bill itself there is language which would encourage action on the part of the States. But, Mr. President, whether the States act or not is left exclusively and entirely to the legislatures of the several States. Generally speaking, we know that the legislatures in this country meet every 2 years. About half of them meet each year. I dare say that they hold their meetings in later winter, in the spring, or in the summer. The legislatures scheduled to meet during 1944 have probably already met. If they have not already provided for the increases to which reference has been made, they could not act for 2 years unless the Governors of the States called special sessions of the legislatures. We have no right to rely upon their doing so. So, Mr. President, the other States, that is, the ones whose legislatures meet next year, will probably do nothing in the meantime. Between now and the time they hold their regular meetings next year there may elapse a period of almost a year, and only about half of the State legislatures will then meet.

Why do I say what I have said, Mr. President? I have before me a schedule showing the benefits paid by the several States to their unemployed, the number of covered workers, the time during which coverage occurs, the number that could be provided for by the funds now in existence, and the percentage of the funds which could be used.

Let us take the State of Alabama. That great State of which I am proud, it being the State of my birth, has 432,000 covered workers. It has \$51,500,000 in the treasury. The maximum which can be paid under the law to an unemployed

worker in Alabama is \$15 a week. The average weekly amount received by the worker in Alabama covered by the law is \$14, and the maximum number of weeks during which he may receive the benefits provided by the law is 20. Alabama has on hand enough money to provide full maximum compensation or coverage to 42 percent of its covered workers. Do the Senators from Alabama wish to say to the workers of that State, "The maximum compensation which you may receive is \$15 a week, no matter how many children you have—and you will be covered only 20 weeks as a maximum" in preference to the benefits under the Murray-Kilgore bill of up to \$35 a week and coverage for as much as 2 years after the end of hostilities?

Let us take a worker in the shipyard in Mobile. If the Murray-Kilgore bill passes and becomes law, and the worker has received \$48 a week, and he has a wife and two children, under the Alabama law he may receive a maximum of \$15 a week for a period of 20 weeks, that is 5 months, Mr. President. That is all he can get until the Alabama legislature meets and enlarges and extends his rights, and until more money is available to the State unemployment compensation fund.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TUNNELL. I merely wish to remind the Senator that in the drop to \$15 a week he must, as I understand, be without employment so that it is a time when he cannot be earning.

Mr. PEPPER. Exactly. That is all he is getting; and that is all he can hope for.

Mr. President, he is not assured \$15 a week, because the States all have a base period, and he gets a percentage of what his wages were during the base period. In no State to my knowledge is there a minimum assured, and I must add, with some regret, that a minimum is not provided in the present law; but the scale is much higher, so that the worker receiving a given wage will receive much less under the State system than under the Murray-Kilgore bill.

Now, Mr. President, let us take my State of Florida. We have 380,000 covered workers; we have \$39,500,000 in the Treasury; the maximum benefit under our State law is \$15 a week; the average weekly wage of the covered worker is \$13 a week, and the maximum number of weeks for which an unemployed worker could receive benefits is 16, which is 4 months. My legislature meets next April. Should the war end now or in 3 weeks or 3 months and that worker became idle, of course, he would drop down to the benefits under the State law.

The George amendment, as expressed by the able Senator from Michigan, guarantees the solvency of the State fund and that is all. It does not enlarge the State fund unless the State legislature provides for such enlargement, and, if it does, that is still a Federal fund. But there seems to be in the minds of some of our distinguished friends an opinion about the sacrosanct character of the provision made by the States for

the unemployed worker. Mr. President, the State of Florida will be providing unemployment compensation for a worker who has worked in a shipyard in Jacksonville or for one who has worked in a shipyard in Mobile, Ala., or for one who has worked in Philadelphia, Pa., or for one who has worked in a loading plant in Alabama or worked somewhere else. The United States Congress is asked to tell a war worker who helped win this war "Go back to the differentials of your several States, and the Congress of the United States is going to do nothing to equalize your assurance of a livelihood when you get home."

Mr. President, I challenge the premise that the responsibility for preserving a decent standard of living for the American war worker is exclusively that of the States. It was not the States which went to war; it was the Congress and the country as leaders. It was not the States which took the worker and put him in a plant outside his own State. No, Mr. President, thank God, we have one flag for which he has worked in this great war, and the Government of that one flag ought to see to it that he is not discriminated against if he happens to go to any section of this Nation after the war.

I heard an able Senator say here yesterday that we are giving an advantage to the States which are giving the least benefits. I say, Mr. President, we are also penalizing the States that are giving the most benefits. Let us take the great State of California, for example, which has one of the high rates, or let us take the great State of Connecticut, which has the highest rate of pay, \$22 a week to the unemployed worker. Is the worker going to leave Connecticut where he can get \$22 a week while he is unemployed and go to the State of Florida or Alabama or some other State where he will get a great deal less? It will be an impediment to the return of people to their old homes. It will penalize those who made the better provision.

I say, therefore, that what the Murray-Kilgore bill does is right. It says we will fix an American standard of living. Ever since I have been a Member of the Senate I have had to experience humiliation every time a bill came up involving such questions as that now before the Senate, for it was said that wages had to be lowered and that salaries had to be lowered and that benefits had to be lowered to my beloved Southland because we were expected to continue to preserve a measure of penury and poverty. My God, Mr. President, when will all areas of this country be emancipated; when will they become wholly American, and when will we legislate for the Nation and not, with caution and with timid reserve, about certain areas and sections of the country that need most the strong arm of the Nation's assistance?

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield.

Mr. WHERRY. In view of the statement made by the Senator from Florida, I should like to ask him a question, which I know he can answer. On page 24 of

committee print No. 2, there are set out the rates for interim placement benefits, and I notice this provision:

That these amounts shall be rounded upward to the nearest dollar, but shall not in any event exceed \$20 for an individual if he has no dependents, \$25 if he has one dependent, \$30 if he has two dependents, and \$35 if he has three or more dependents.

I understand that in order for one to get unemployment insurance he must have an earning capacity of at least 75 percent of the amount that will return him \$20 a week based upon the base period on which his wages are figured. I ask what happens to those who do not earn \$20 a week? I am speaking about the men and women who do not earn \$20 a week. Say they only earn \$12 a week, and have 12 children, what do they get?

Mr. PEPPER. I will say to the Senator that if he suggests there should be a minimum below which no one's compensation should fall I should heartily subscribe to it, and, if he could get his colleagues to go along with it, I am sure I could get the able Senator from Montana and the able Senator from West Virginia immediately to accept such an amendment.

Mr. WHERRY. That does not answer my question. Obviously the bill does not provide that they are to get any benefits for dependents if they earn, say, \$20 a week.

Mr. PEPPER. No.

Mr. WHERRY. What does it provide?

Mr. PEPPER. The able Senator, if I may say so, is in error about that.

Mr. WHERRY. I should like to be informed.

Mr. PEPPER. I have a table here to which I referred day before yesterday and which the Senator from Montana later put in the RECORD which sets forth the schedules. Let us take, for example, first a veteran.

Mr. WHERRY. Mr. President, I was referring to civilians.

Mr. PEPPER. I am coming to the civilian later on, but, so as not to confuse the matter, I am referring to the veteran first. The veteran has a fixed compensation; he gets his \$20 a week if he has no dependents under the G. I. law, regardless of any previous income he may have had. Under the Murray-Kilgore bill he gets an additional \$5 a week for one dependent, \$10 a week for two dependents, and \$15 a week for three or more dependents. Those payments are made regardless of any compensation he may have received in the past. The civilian's compensation is related to the compensation he or she received in the base period, and, as all know, the base period is the highest quarter of compensation received by the worker in question in the course of the last 3 years. If the average weekly wage for the highest quarter received by the worker in the last 3 years is as much as \$48 a week and if the worker has no dependents he gets \$20 a week. If he has one dependent he gets \$25, two dependents \$30, and three dependents \$35. If, however, his weekly compensation for the base period is \$36 only and he has no dependents he gets \$20, if he has one dependent \$25, two dependents \$27, and three dependents

\$27. If his compensation in the base period were \$20 a week, with no dependents or with dependents, he would get only \$15 a week, because in cases where he would get less than \$48 a week he would receive only a maximum of 75 percent of the base wage received.

Mr. WHERRY. That is correct.

Mr. PEPPER. If he received only \$12 a week in the base period, under the Murray-Kilgore bill, whether he had dependents or not, he would get only \$9 a week. But I will ask the able Senator to make a comparison, in considering those lower figures, with what the same worker would get under the State laws. He would not get \$15 a week in Florida as compared with \$9. He would still get only a percentage of the \$12, which is vastly lower than what he would get under the Murray-Kilgore bill.

Mr. WHERRY. Under the explanation of the distinguished Senator from Florida, then this standard of living he discussed a moment ago which he said would be raised would be provided only for those who would come in the upper brackets, those receiving \$20 or \$25 or \$30 or \$35 a week. So that the Senator's answer to my question means, as I interpret it, that those in the lower brackets would not get nearly as much as those in the higher brackets.

Mr. PEPPER. That is true.

Mr. WHERRY. That is what I wanted to ascertain, how it would be possible to raise the standard of living under the bill, in view of the fact that the great mass of labor would fall below the bracket that would be taken care of in the Murray-Kilgore bill.

Mr. PEPPER. What I am afraid my able friend is overlooking is that the benefit to the worker in the low bracket would, under the Murray-Kilgore bill, be at least twice what he would get under the State compensation laws. So that if a comparison of the two is made, while the Murray-Kilgore bill is certainly not adequate, since it does not provide a minimum, it is vastly more adequate than would be the provision of the law with the George amendment.

Mr. WHERRY. The answer is exactly what I thought it would be, and it confirms my belief that by the enactment of the Murray-Kilgore bill, instead of helping the masses of the people, we would be helping only the higher bracket workers of the country.

Mr. PEPPER. I dare say the able Senator would not want to put it just that way.

Mr. WHERRY. I would not want to put it that way, but that is as I understand it.

Mr. PEPPER. Since the bill does relate compensation benefits to compensation received by the worker, naturally it gives more to the man who received more than it gives to the man who received less. But what it does give to the worker in the lowest bracket is vastly more than he would get if the bill did not become law. The able Senator has done many progressive things, and if he will offer an amendment to fix a minimum of \$8 or \$10 or \$12 a week, I venture to say I can speak for the sponsors of the bill and assure their immediate accept-

ance of his amendment, and certainly many of us who are advocates of the bill will gladly accept it.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MURRAY. As the situation now exists, it would be impossible for us, by the proposed legislation, to raise the wages in the States where low wage scales are maintained.

Mr. WHERRY. Will the Senator yield further?

Mr. PEPPER. I yield.

Mr. WHERRY. I have no dispute with the Senator in his answer, but I maintain that his answer confirms my interpretation of what the proposal would result in if enacted, that it would not help the masses of the poor people, who need assistance, but it would give the benefits only to those who have high-bracket incomes.

Mr. PEPPER. No; the able Senator is not justified in that statement, if I may say so. This measure proposes more help and assistance to the unemployed workers of this country than any other bill pending before the Senate. Therefore, I favor it. If the able Senator says that the Murray-Kilgore amendment, although it provides more than would be available under the pending bill, does not provide enough, there are many of us who would agree with him, and I hope he will take the lead and propose an amendment making it more.

Mr. WALLGREN. Will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. WALLGREN. Under the Murray-Kilgore bill, what happens in a case where a husband and wife have both been employed, and then have become unemployed?

Mr. PEPPER. I myself asked that question, and the answer I received was that under both the State system and under the pending bill both would get the compensation which goes to the individual worker. But obviously both husband and wife could not count the two children as the dependents of each. Only one of them would get the added compensation for having the dependents. If the wife were employed, she would not be counted as the dependent of the husband. So, in the case the able Senator puts, a case of husband and wife and two children, I venture to say the husband receiving \$48 a week in the base period would get \$20 for himself and \$5 a week for each of the two children, which would make \$30, and the wife would get \$30, if she made a minimum of \$48 a week.

Mr. WALLGREN. Would it make any difference how long they had been employed, as to whether they would be able to enjoy these benefits?

Mr. PEPPER. Not under the Murray-Kilgore bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. In the case cited by the Senator from Washington, of a husband and wife who have both been at work during the war, perhaps due to their desire to do their patriotic duty, if both should become unemployed after

the war concluded, they would both have to accept employment if it were offered to them in order to entitle either of them to draw compensation, as I understand, either under the bill the Senator from Florida is discussing, or under the State system. They cannot deliberately avoid work and still draw compensation.

Mr. PEPPER. Of course not.

Mr. BARKLEY. There are many cases in which the wife has been working and is now working because of the war situation, and in which she would desire to return to her home and not be employed out of the home. She would, of course, not be entitled to draw unemployment compensation, because in that case she would have to accept employment if it were offered to her in order to draw compensation, or be unable to get employment. In other words, women who voluntarily go back into the home when the emergency is over, and desire to remain there, will not enjoy the compensation provided either under the State system or under the bill the Senator is discussing.

Mr. PEPPER. I am grateful to the Senator for pointing that out. Of course, the wife would have to take a job, just as a man would, if it were offered to her, and if it were a reasonable job, or she would be cut off from unemployment benefits.

Mr. WALLGREN. Does not the Senator think the bill would be improved if we should stipulate a certain length of time people must be employed before enjoying the benefits? For instance, a person may be employed for just a week, and then under this bill come in and receive all these benefits.

Mr. PEPPER. I will say "No" to my able friend from Washington, for this reason. What we are interested in as Members of Congress is twofold. First, we are interested in the welfare of the individual and, second, in the welfare of the Nation, or it can be put the other way if one chooses to do so. We know that if our economy goes into a depression spiral it will nearly ruin the country, as it did after the last war, and it will cost us tens if not hundreds of billions of dollars ever to reverse the spiral. If we let wages drop, if we let the national income suddenly precipitate downward, if we throw vast numbers of people out of employment, diminish their purchasing power, and break their morale and confidence, it will contribute to a downward slide in the national income.

Mr. WALLGREN. I am sympathetic with the bill and with what the Senator is trying to do, but he is taking as a base the wartime period.

Mr. PEPPER. That is correct.

Mr. WALLGREN. Today people are earning possibly two or three times more than they ever earned before in their lives. I am very anxious to go along with the Senator, but it seems to me the payments provided for are just a little too high.

Mr. PEPPER. The able Senator from Washington will realize that relatively few people will be in the \$48-a-week bracket, and, therefore, relatively few individuals, even if they have dependents,

are going to receive \$20 or \$25 or \$30 or \$35 a week. As I said awhile ago, according to the latest figures I received from the Census Bureau, which are for 1939—we know that wages and salaries have increased since then, however—one-half of all the people in this country employed for wages or salaries received less than \$100 a month. That is less than \$25 a week, let alone \$48 a week. I suggest to the Senator that if he were to go to a shipyard and make a check he would find a relatively small number of the workers out of the whole number employed who are receiving as much as \$48 a week for a whole quarter. What I say does not refer to what is paid for 1 day or for 1 week, but the average which is paid for a whole quarter. An individual must have received \$48 a week for a whole quarter in order to entitle him to obtain \$20 a week if he has one dependent, and \$25 a week if he has two dependents. An individual must have received \$36 a week in the base period to entitle him to receive \$27 if he has a wife and two children. He must have been receiving \$20 a week during a whole quarter in the base period to entitle him to receive \$15 a week if he is without children.

In the State of Washington, for example, there are 569,000 covered workers, and the average weekly wage in that State is \$14.50. Workers who received only \$14.50 a week in the base period would receive but \$9 a week under the provisions of the pending measure. Does the Senator think that rate is too high to pay to a man in his State who has a wife and two children?

Mr. WALLGREN. I do not say it is too high; but I say the figure of the average wage is way off, according to my information.

Mr. PEPPER. I am guided by the report which the able Senator from Georgia [Mr. GEORGE] submitted to the Senate in connection with his bill. He received the figures from the Social Security Board, and I expect those figures are as accurate figures as we can obtain.

Mr. WALLGREN. Permit me to ask the Senator another question. Let us consider the situation with respect to the State of Washington. There has been a great migration of workers to our State from all over the country. They have moved from Georgia and from Alabama and from other States to the State of Washington. Under the provisions of the George bill is it not possible that those workers would be treated better in my State than they would in their own State?

Mr. PEPPER. Let us assume they are working in the State of Washington. In that State the maximum weekly benefit is \$15, and the maximum number of weeks of coverage is 16. The maximum weekly benefit in the State of the able Senator who sponsors the amendment, the Senator from Georgia [Mr. GEORGE], is \$18, as compared to \$15 in the State of Washington, and the period of coverage is the same.

Mr. WALLGREN. I think there is something wrong with those figures.

Mr. OVERTON. Mr. President—

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Florida yield to the Senator from Louisiana?

Mr. PEPPER. I yield.

Mr. OVERTON. As the Senator knows, there were many individuals who were engaged in agricultural labor at the outbreak of the present emergency and the beginning of the war. They became industrial laborers in order to aid in the war effort. When the war is over and they are no longer engaged in industrial work, and there is no opportunity for them to continue that work, and they are offered work on the farm at the wages which prevail on the farm, which, as the Senator from Florida knows, are a great deal less than they received as industrial laborers, will they be entitled to obtain compensation under terms of the bill as industrial laborers, if they are unemployed?

Mr. PEPPER. Yes, Mr. President. Under the Murray-Kilgore bill, as I understand it, all workers will receive unemployment compensation based upon what they were receiving in the base period.

Mr. OVERTON. What effect will that have on the farm labor?

Mr. PEPPER. Let us consider a colored farm worker. What maximum wage would the Senator from Louisiana assume that he might have received for 3 continuous months at any time during the last 3 years? Is it likely that he received as much as \$20 a week?

Mr. OVERTON. It would hardly average that.

Mr. PEPPER. It would hardly average that. If he did not receive \$20 he would receive as unemployment compensation only \$9 a week. That is all he would receive.

Mr. OVERTON. But he was converted into an industrial laborer, and under the Murray-Kilgore bill his rate of pay for unemployment would be based on the highest wage he received as an industrial worker during the base period.

Mr. PEPPER. Yes, but my understanding is that under the State law—

Mr. OVERTON. I am not talking about the State law. I am talking about the terms of the Murray-Kilgore bill.

Mr. PEPPER. Under the terms of that bill the compensation is geared to what the individual was doing during the base period, and, to answer the Senator's question, a farm worker who was converted into an industrial worker would be given pay on the industrial base for his unemployment compensation. But I point out to the Senator that it probably would not be so very high as to endanger the obtaining of farm labor.

Mr. OVERTON. It would be 75 percent of his base pay?

Mr. PEPPER. Yes.

Mr. OVERTON. Very well. That would be far in excess of what he could receive on the farm, would it not?

Mr. PEPPER. It probably would be. I say, however—

Mr. OVERTON. What would such an individual do, unless he were a very patriotic man who said, "I will go back and work in order to keep the Nation fed and

in order to supply food for starving Europe, and so forth"? He could say, "I will receive more by not working."

Mr. PEPPER. No; I do not think anyone could successfully contend, I will say to my able friend, that that result would follow, for two reasons. In the first place, as I have pointed out, such an individual would probably receive only \$9 a week unemployment compensation, and I suspect that even in peacetime he would get more than that on the farm.

But Mr. President, putting that aside for the moment, the States would determine whether a job offered him is suitable for him to take in the period when he is unemployed. Undoubtedly one of the considerations which will guide the States in determining what job is suitable for such an individual is the question of the job the man had before he went into war work. So if he were a farm laborer, and a farm laborer's job at farm laborer's pay is tendered to him, and he declines to take it, he would lose the benefits which he would receive under the Murray-Kilgore measure.

Mr. OVERTON. The Senator takes the position that such an individual cannot say, "I am now an industrial worker"?

Mr. PEPPER. No; I do not think so. There is nothing in the Murray-Kilgore bill which says that the States will have to honor such a claim even if he makes it.

Mr. OVERTON. The laborer will have to get employment of any kind for which he is suitable and qualified.

Mr. PEPPER. Yes.

Mr. OVERTON. And he would have to accept it?

Mr. PEPPER. Yes.

Mr. OVERTON. And if he did not accept it he would be disqualified?

Mr. PEPPER. Yes. If he wants to appeal from the decision of the State board in cutting him off from unemployment compensation, then the procedure provided by the Murray-Kilgore bill is the same as he now has available to him under the Social Security Act. He could appeal to the Federal Work Administrator. The Administrator would refer the appeal to the Social Security Board, and the Social Security Board would determine the question. It would not be determined by a capricious administrator, by any single person, but the Social Security Board would determine whether or not the State agency acted properly in denying him his unemployment compensation because he refused to accept a job.

Mr. OVERTON. Let us consider a specific illustration. Let us take my own State, the city of New Orleans, where the Higgins industries are located, as well as a great many other war industries. Let us say that a man has been working there for 18 months or 2 years or 3 years. He originally came from the farm. He is living now in the city of New Orleans. He knocks at the factory door of the Higgins industries and is told, "We have no need for you any longer. Make a claim for unemployment compensation." What is to happen to him? He now lives in the city of New Orleans. Is he entitled to unemployment compensation? Or can he be told "We have

looked up your back history. We find that at one time you worked on a farm. Leave New Orleans and find work on a farm. If you do not do so you will not be entitled to unemployment compensation."

Mr. PEPPER. Mr. President, criticism was made of the Murray-Kilgore bill because it gave too much authority to the Work Administrator to move people around the country. It was said he could capriciously send one man out to California and one up to Washington, and so forth and so on. The able Senator from Montana [Mr. MURRAY] and the able Senator from West Virginia [Mr. KILGORE] in answer to that complaint placed in the bill a provision that the Federal Work Administrator could not deny an individual his unemployment benefits simply because he did not accept the transportation which was tendered to him. So I could not say that the Work Administrator would have authority to order the man to go back to the farm.

Mr. OVERTON. I do not think it is a question of transportation. The man is in the city of New Orleans. He has been an industrial worker for a number of years, but it is determined that he could work on the farm. He is told that he must go back to the farm. He is not transported back to the farm. It is a voluntary act on his part. He can remain in New Orleans if he so desires, but if he does, he will not receive any compensation.

Mr. PEPPER. Except for certain general standards, the bill leaves that discretion to the State agency which administers the law. The State agency will be expected to work out the problem and administer the law in a practical way.

Mr. OVERTON. I think the Senator will agree with me that a very serious question is presented, so far as farm labor is concerned, not only in the South, but throughout the Nation.

Mr. PEPPER. The State agency would have the right to make the decision under the State law. The same question might arise under the State law. The State agency would have to make the decision. As I understand, there is nothing in this bill which would prevent the State agency from making the same decision in that matter that it might make under the State law were it not for the Federal act.

Mr. President, I wish to conclude my remarks. I have said that whether the Senate should adopt titles I and II of the Murray-Kilgore bill, or titles I and II of the George amendment, is relatively immaterial. But, Mr. President, the George amendment is whole. It is not a divided amendment; and title III of the George amendment and title III of the Murray-Kilgore amendment are as far apart as the poles. The Murray-Kilgore amendment allows to the war worker up to 6 months' retraining opportunity, at the expense of the Federal Government. It gives added mustering-out pay to the veteran. It gives up to \$15 a month added compensation to the dependents of a veteran, and it vastly increases the amount of unemployment compensation which an unemployed war worker might

enjoy in the period of transition and possible unemployment. None of these benefits are provided by the George amendment.

I asked the Library of Congress to give me what figures they could as to what the last depression cost this country. I hear able Senators of the opposition point of view speak of the economy of the George proposal. I wish to suggest how much the last depression cost this country. The figures given me by the Library of Congress show that the private investment loss due to the depression was \$74,600,000,000. That was the business loss in respect to investments which this country sustained in the period from 1930 to 1939. The loss in 1930 was \$3,400,000,000; in 1931, \$7,000,000,000; in 1932, \$10,500,000,000; in 1933, \$11,000,000,000; in 1934, \$10,100,000,000; and so forth. The loss in investments during that depression was nearly \$75,000,000,000. The Government in power did not have the vision or the courage to prevent that depression.

But, Mr. President, that is not the greatest loss which we sustained. The figures show that the consumption deficiency in this country in the period from 1930 to 1939 amounted to \$145,900,000,000. In other words, the folly of the Government cost this Nation almost as much as the tragedy of this war cost.

God knows, we did everything we could to prevent this war. The question now is, Are we going to do everything we can to prevent the curse of another depression? Senators who talk about economy being practiced by the Government when we condemn to poverty and starvation the masses of the people of the country simply do not appreciate the economic significance of what they say. During the last depression there was a consumption deficiency of \$145,900,000,000. That was the reason why business lost its profits. That was the reason why investors lost their returns and stockholders lost their dividends. The masses of America's people could not buy.

Has there ever been a more eloquent illustration of what makes a country prosperous than we have experienced during this war? It is not the profits of the corporations. It is not the large fees of professional men. It is the purchasing power of a Nation at work which has made this Nation prosperous during this war. That is the recipe for prosperity in every age and under every government.

The converse is also true. If we permit these men and women to leave the war plants and go home to unemployment, the spiral of purchasing power will fall. Every merchant will keep his goods on his shelves, and begin to discharge his clerks, thus adding more unemployment. The banks will not receive the interest on their loans; the sawmills will stop cutting lumber for houses; quarries will close; and we shall have bread lines, and perhaps at last another W. P. A. as the only hope for America's people.

That is what we are facing. We have an opportunity not only to do justice to America's people, but to assure prosper-

ity to this Nation. As I indicated in my question a moment ago directed to the Senator from Ohio [Mr. TART], with a large fixed debt such as we must carry, if we do not keep the national income in the neighborhood of \$150,000,000,000, we shall be ruined. Yet we cannot do that by a niggardly policy of false economy. We have seen the results of false economy in what it has cost the Nation in illness because we would not assure the health of the Nation. We have seen the results of false economy following our failure to educate the boys and girls of this Nation and train them for productive work.

There are some who would condemn the unemployed to compensation of \$15 a week. It is said that that is enough for them, and that it is all we can afford. Mr. President, on the contrary, we cannot afford to let them have a purchasing power of only \$15 a week as a maximum. If we were to think only in terms of dollars and cents, savings, and good business investment; if we were to think only of ourselves, and not of the unemployed; if we were to think only of the banks and large corporations, all we would have to do to make them prosperous would be to say to the masses of America's millions, "You will not be condemned to a standard of living which is indecent for an American."

That is the decision which we are to make, Mr. President. The national income has steadily risen. Beginning in 1929 it was \$83,000,000,000. In 1930 it dropped to \$68,000,000,000. In 1930—the mention of that year arouses memories, Mr. President—a President and a Congress said, "No; it would be a violation of States' rights, and would be improper for the Federal Government to step in and save the Nation from wreck and ruin." We stood by, Mr. President, and that President and that Government tried to do what Pontius Pilate did a long time ago when faced with a decision with respect to which he ought to have taken responsibility. He washed his hands and turned Christ over to the rabble to be crucified. The Government of the United States followed a similar course. Like a modern Pontius Pilate it tried to wash its hands of responsibility for the lives of America's millions, and turn them over to be crucified upon the cross of a ruthless and heartless economic depression.

Mr. President, if this Government has the courage, if we have the vision, if we have the will, and if we have the human heart and sympathy required, we can make this mighty land to which these men will return a veritable Garden of Eden.

We can make it a land of happy families and good homes; we can make it a land of education and health; we can make it a land of recreation and culture. We can make it, Mr. President, the envy of all the ages, the nearest to the human aspirations for paradise which can be achieved upon the footstool of mortal man.

So, Mr. President, I think we make a very significant decision when we vote on these amendments. I trust that the decision we make may be one of which

we may be proud in the years which lie ahead.

During the course of Mr. PEPPER's remarks,

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WHERRY. Will the Senator permit me to have inserted in the body of the RECORD at the conclusion of his remarks an article published in the Washington Post of today, entitled "Reconversion Expert From W. P. B. Linked to C. I. O. Unit"?

Mr. PEPPER. Very well.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and the article may be printed at the conclusion of the remarks of the Senator from Florida.

The article is as follows:

RECONVERSION EXPERT FROM W. P. B. LINKED TO C. I. O. UNIT—PRESENCE OF MURRAY BILL "MASTER MIND" ON SENATE FLOOR SETS OFF "RUCKUS"

(By Mary Spargo)

An \$8,000-a-year War Production Board expert, who was reported to be in close communication with Sidney Hillman's Political Action Committee, was portrayed yesterday as the master mind behind the Murray-Kilgore-Truman reconversion bill.

The expert, Dr. Herbert Schimmel of 3604 Minnesota Avenue SE., who claimed he wrote the measure which would establish sweeping controls over American labor and industry, is acting chief clerk of the Kilgore War Mobilization Subcommittee, on loan from W. P. B.

START OF "RUCKUS"

What Majority Leader ALBEN W. BARKLEY (Democrat, Kentucky) described as the "ruckus" in the Senate started when Schimmel, acting for Senator JAMES E. MURRAY (Democrat, Montana), whispered to the Presiding Officer during the afternoon session.

Immediately the minority whip, Senator KENNETH S. WHERRY (Republican, Nebraska) jumped up and challenged the Presiding Officer, Senator JOHN H. OVERTON (Democrat, Louisiana).

None but secretaries to Senators and committee clerks on the Senate pay roll are allowed floor privileges under Senate rules.

TELEPHONE CALLS CITED

Schimmel's close contact with the Political Action Committee was established in the record of long-distance telephone slips between the P. A. C. New York office and Washington, recently seized by the House committee investigating un-American activities.

Eight of the person-to-person calls, according to the record, were to Schimmel, and there were said to be many others, station to station, to his extension in the Senate Office Building.

Schimmel, who talked to the press in the presence of Kilgore, said that most of the calls were between him and former members of the Kilgore committee staff now employed by P. A. C.

These two former Kilgore staff members, the Senator said, are Palmer Webber and Malcolm Hobbs, who were also loaned him from a downtown department.

COUNCIL FOR C. I. O. CHIEF

Questioned about a third staff member, Dr. Robert K. Lamb, KILGORE said he is now a legislative counsel for Philip Murray, C. I. O. chieftain.

KILGORE and Schimmel denied that P. A. C. calls were any different from any other calls received in the committee office. KILGORE said if anyone subpoenaed the records of the National Association of Manufacturers or the

Chamber of Commerce he would find similar calls to his subcommittee.

The C. I. O. which established the political action committee to work for a fourth term for President Roosevelt, has, however, been the loudest voice raised in support of the bill which had the approval of Senators MURRAY, KILGORE, and TRUMAN, the latter now Vice-Presidential candidate of the Democratic Party.

In response to questions, Schimmel said he had served as chief of the investigations and hearings staff of the Kilgore subcommittee when a report on war shipping was issued. He said he supervised the report.

This report was denounced some time ago by the West Coast Sailor, official publication of the Sailors' Union of the Pacific, as "a new mission from Moscow."

"The report itself," the official organ of the union (A. F. of L.) said, "could have been drawn up and submitted by any Communist Party front, so faithfully does it perform the functions of the Communist Party."

KILGORE and Schimmel said the report had improved the shipping situation.

The sharp interchange over what Schimmel was doing whispering to the presiding officer, came during the middle of a speech by Senator CHAPMAN REVERCOMB (Republican, West Virginia). REVERCOMB was denouncing the bill as a national service act for the unemployed.

Disclosure of the political action committee connection with the Murray-Kilgore-Truman measure reminded Capitol observers of a situation some years ago when scandal arose over the part Joe Grundy, spokesman for Pennsylvania industrial interests, was playing in connection with high tariff legislation.

Senator HARRY S. TRUMAN (Democrat, Missouri), told reporters yesterday he hoped for unanimous action Monday on a reconversion bill, but there was every evidence yesterday that the conservative forces led by Senator WALTER F. GEORGE (Democrat, Georgia), would press for action on the George bill and refuse any compromise.

Mr. WALLGREN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Guffey	Revercomb
Andrews	Gurney	Reynolds
Austin	Hatch	Robertson
Bankhead	Hawkes	Russell
Barkley	Hayden	Scruggam
Brewster	Hill	Shipstead
Brooks	Jackson	Stewart
Buck	Johnson, Calif.	Taft
Burton	Johnson, Colo.	Thomas, Utah
Butler	Kilgore	Tobey
Byrd	Langer	Truman
Capper	McClellan	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	Maloney	Wagner
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Weeks
Downey	Murray	Wherry
Eastland	O'Daniel	White
Ferguson	O'Mahoney	Wiley
George	Overton	Willis
Gerry	Pepper	Wilson
Green	Radcliffe	

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Seventy-four Senators have answered to their names. A quorum is present.

THE ADVICE AND CONSENT OF THE SENATE IN THE MAKING OF TREATIES

Mr. CHAVEZ. Mr. President, I have observed with a great deal of satisfaction the patriotic manner in which the

Members of Congress have responded to the call of American public opinion, forgetting, as it were, their partisan interest. We are here assembled in the midst of what may be for the American commonwealth a crucial electoral campaign, in the midst of a world-wide conflagration, and, if we wish to carry it further, we could say in the midst of the decisive moments of that struggle in which the destinies of nations, ideologies, and races are at stake.

The Nation should feel gratified with the promptness and alertness with which its legislators have responded to the all-significant developments of recent days on the war fronts, whether in Russia, Italy, Normandy, Guam, or other strategic areas. The recent magnificent victories are made more dramatic by the heroism and valor of our sons and daughters, and those events have made us at home realize the need for economic reorientation in the wake of successful military developments. We have answered by returning to the Nation's Capital to find ways and means of providing for the foreseeable end of this World War and to prepare for the difficult problems of reconversion.

The legislative wheels are turning and democracy will once again show to the world its creative and energetic ways. The Senate of the United States is leading in this respect, and be it to its credit that the world is converging its collective eyes on the methodical and efficient manner in which we are dealing with such a transcendental problem.

In glowing terms which reach the superlative, and not without justification, historians and political scientists refer to the United States Senate as the greatest legislative body since the peak days of Roman history. We in our deliberations affect a greater world than the Romans ever dreamed of, and with the facilities of modern communications our acts and our deeds are communicable to the entire world with more rapidity than the Roman populace could have known of what was going on in the Roman Senate. In other words, the world is our public, and conversely the world shall judge us.

This is the principal reason why at this critical moment in human history the Senate of the United States should stop for a moment of self-analysis.

Why do I say this? Why, at the very moment when we are attempting to cope with the stupendous problems of reconversion and peacetime problems of unemployment, do I take the floor in this august body to ask for this analysis?

Precisely so that we may justify the hope which the world has reposed in us. Yes; it is time for us to pause and think. It is time for us to weigh our responsibilities as carefully as the scientist measures his materials with his most accurate instrument; and this not only in the light of present-day developments but in the light of our historical emergence as a legislative body.

It is time that we should pause and conscientiously consider the mistakes we have made in the past. We should not be ashamed of having been human, and thus of having fallen into the pitfalls of

error. We are not infallible, nor are we supposed to be, for error is common to all human activity.

I am not trying to be professorial nor erudite. I am simply making an effort to be very practical and very matter of fact. I refer to the legislation which we are now attempting to consider and to pass upon. I say in all earnestness that reconversion and all its ramifications are all well and good. This has to do with our domestic front. But are we going to stop there? How about the counterpart, the foreign front? By this I mean our foreign relations. Is the Senate of the United States today thinking and planning adequately to discharge its duties fully and to use its constitutional prerogatives in the fullest meaning of those prerogatives for the welfare of humanity at large? Let the reaction to my remarks suffice for an answer.

It is not untimely for us to examine into the genesis of this body, of its duties, responsibilities, and prerogatives, taken both by themselves and the interrelation they bear with the executive duties, responsibilities, and prerogatives. It is time for us to reexamine the origin of the provisions in our constitutional charter, and to see for ourselves if we have adhered to them or whether we have allowed them to be nullified by time and the attitudes of our statesmen. It is time for us to consider whether it has been wise to depart from the purposes and ideals of the founding fathers. It is the hour for us to consider what has happened to us as a result of such departure.

Let us look at the record.

The Constitution of the United States provides in very simple, yet very definite, terms for the President, "by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur."

As time and experience have shown, the founders of the Republic knew well the fundamentals of government, perhaps because they were rich in political experience and possessed a deep understanding of the human elements which seep into the science of government. They knew the meaning of words, and they did not waste time in redundancy or useless repetitions. Able grammarians were among them, and the historical document over which they labored to the breaking point of human endurance is the best evidence of their exactness. Their every word was later on to be scrutinized by scientists, scholars, jurists, and statesmen, not only at home but in every commonwealth thereafter created under the sun.

The history of the relations of the United States with foreign nations has shown that the Senate of the United States has not only carefully complied with its duties, and valiantly defended its rights and prerogatives so far as the consent part of the previously quoted constitutional provision is concerned, but it has been alert in not allowing the executive branch of the Government to encroach upon such prerogative. Perhaps the only exception is in the case of so-called executive agreements, about one of which we read

in the newspapers 2 or 3 days ago, relating to the agreement between England and the United States with reference to petroleum. Can we, however, say as much with regard to the advice part of the same provision of the Constitution?

Before we answer this question let us look further at the record, so that we may know the extent of the meaning of the words used by our founding fathers.

After the Constitution was framed, and while it was in the process of ratification by the several States, the framers were busy explaining it to the peoples of those States. What they said at that time has a decided bearing upon the meaning of those laconic but far-reaching provisions. Hamilton, Madison, and Jay took upon themselves the task of carrying their explanations to the people of New York so that they could realize the implications and meaning of the provisions of the proposed Constitution. Published contemporaneously in newspapers, and later compiled and published as a constitutional treatise, those commentaries have become one of the principal sources of information for the citizen, student, and statesman.

Hamilton discussed the treaty-making power in an article which he published in the Independent Journal, and which is known as No. 75.

This feature of the Constitution was termed by him one of the best-digested by the constitutional assembly. After considering the practice in the Old World under the monarchical system of government, where princes considered the treaty-making power a part of their heavenly granted prerogatives, Hamilton considered the different views of the framers and their conclusions regarding the American repository of that all-important function of government.

In spite of the fact that the whole frame of the Constitution was built upon the segregation of three supreme powers and the avoidance of an intermixture of powers, when the Constitution makers came to the treaty-making power they decided to lodge it in the twilight zone whereon converged a part of the functions of the executive and a part of the functions of the legislative. Further considerations impelled them to limit it to only one of the two branches of the National Legislature, to wit, the Senate, perhaps the most important consideration being its smaller membership in comparison to that of the House of Representatives.

While some of the critics of the times then advanced the suggestion that this power should have been lodged in the Presidency exclusively, others were of the opinion that the Senate should deal exclusively with it. The arguments in favor of the exclusiveness of the Executive were based upon the secrecy and immediate dispatch sometimes requisite in the negotiation of treaties. Incidentally, Jay discussed these aspects thoroughly in his article numbered 64, which was published in the New York Packet on March 7, 1788.

When Hamilton was discussing the exclusion of the House of Representatives from the participation in the treaty-

making power, he used the following important words:

The greater frequency of the calls upon the House of Representatives, and the greater length of time which it would often be necessary to keep them together when convened, to obtain their sanction in the progressive stages of a treaty, would be a source of so great inconvenience and expense as alone ought to condemn the project.

Hamilton used words which are worth repeating: "to obtain their sanction in the progressive stages of a treaty." They are very significant because here he states what the drafters of the Constitution had in mind; namely, the progressive stages in the negotiation of a treaty, which is what the word "advice" implies.

What did Hamilton have in mind? These words are clear enough. The progressive stages of a treaty are not those appearing after the negotiations have been completed, and after all that remains to be obtained is the "consent" of the Senate and the formality of the exchange of ratifications. He was referring to the stages of negotiation, from the very inception of diplomatic contacts, exchange of views, and discussion of the terms.

This is still more evident when we recall that while discussing this topic, Hamilton had in mind the previous article written by his collaborator Jay. Hamilton then said:

As I flatter myself the observations made in a preceding number upon this part of the plan [these observations] must have sufficed to place it, to a discerning eye, in a favorable light.

What was he referring to? To Jay's article numbered 64, above quoted, in which he discussed the treaty-making power, and Hamilton was, in his own words "offering only some supplementary remarks."

In the light of experience we are apt to ask ourselves if we have departed from the intention of the framers of the Constitution? We are constrained to answer in the affirmative. As time passes, the executive branch of the Government has become more and more exclusive in this respect, to such an extent that it culminated in the now historical events leading to the negotiation of the Treaty of Versailles, and subsequently to the rejection by this body of that treaty, and the consequent disillusion of the whole world in the wake of the nonattainment of the high purposes and ideals which motivated such negotiations.

We do not wish, of course, to enter into the sphere of speculation, and it would serve no good purpose to cry over what might have been; but of one thing we can be certain, and that is that had the so-called "irreconcilables" of the Senate been asked to give their advice through the constitutional vehicle of which we are speaking the results might have been different. Much has been said recently about the mistakes of those statesmen, some of whom are gone and cannot defend themselves, and it would not be fair to attack them now; but retrospection is the order of the day, and, so far as it may be constructive and illustrative, we can with all candor point to

what happened as a good example of what we may avoid in the future. Yes, we can avoid mistakes of this nature by adhering to the letter and to the spirit of our National Constitution.

If there be those who do not like the terms or provisions which lodge the treaty-making power in the Senate jointly with the President—and by this I mean the treaty-making power in all its progressive stages—let them proceed to amend the Constitution in the manner provided by the Constitution itself. Why should the executive branch of the Government arrogate to itself exclusively powers which constitutionally belong to the two branches? Is custom, I ask, sufficient to obliterate from that charter the rights and prerogatives granted by the Constitution? I venture to throw my lot with the negative. It is only for the Senate to assert its rights and prerogatives, and here and now I challenge my colleagues to stand up and remedy a dangerous situation in our national life.

The time is ripe for the rectification of our course. Let us take to the right course, a course from which we have certainly deviated. Let us rise and comply with our constitutional duties. Let us no longer allow the Executive to infringe upon our constitutional mandate and assume our obligations in the most chaotic moments of a world crisis.

By doing this not only while we maintain and support our Constitution, but we will thereby bring the prestige of the Senate to the high level it ought to enjoy in our governmental structure, and what is more significant, we will inspire in other nations and their governments a firmer hope that whatever is negotiated with the American commonwealth will have a better chance of crystallization than heretofore.

We owe it to our comrades in arms, to our Chief Executive, to ourselves, and to our allies to follow the course I have suggested.

It is indeed disturbing to observe how the part the Senate is called upon to play in treaty making diminishes step by step, while the part played by the executive branch increases. Under the expediency of executive agreements, which need not be submitted to the Congress, the latter part of the constitutional provision of "advice and consent," is obviated, circumvented, avoided. How far is this to go? Is it to be allowed? We grant that with proper safeguards, this kind of treaty making may be advantageous. Nevertheless, it is high time that the Senate itself determine to what extent it will permit the collaborator to act by himself. A definite policy should be adopted and adhered to. Why? Because by the terms of the Constitution a treaty entered into by the United States becomes the supreme law of the land. We do not have to stretch our imagination to realize that such a treaty, negotiated exclusively by the Executive, may nullify completely legislation constitutionally enacted by the national Congress, and even by the legislatures of the several States. This point really affords food for thought.

In the progress of human relations candor and fair dealing are of the

essence. We cannot afford another experience such as that suffered in the case of the Versailles Treaty and the League of Nations Covenant. Let us set a good example to those we urge to emulate us.

The thinkers of the times have their eyes focused on us. In the words of Hugh Gibson, "there is general recognition today that there is something unsatisfactory in the relations between the Senate and the Executive and that something should be done about it." Mr. Gibson is right and so are many others who are bringing this question to the attention of the American people.

My suggestion is simple and to the point. The Senate should adopt a resolution advising the Executive of its intention and determination to assert its constitutional prerogatives from this day on. The battle cry will be there, and I wonder if there is any soul daring enough to go against the constitutional mandate and the will of the Senate, which in this instance is the historical will of the American people.

EXTENSION OF UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (S. 2051) to amend the Social Security Act, as amended.

Mr. AIKEN obtained the floor.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JACKSON in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alben	Guffey	Revercomb
Andrews	Gurney	Reynolds
Austin	Hatch	Robertson
Bankhead	Hawkes	Russell
Barkley	Hayden	Scruggs
Brewster	Hill	Shipstead
Brooks	Jackson	Stewart
Buck	Johnson, Calif.	Taft
Burton	Johnson, Colo.	Thomas, Utah
Butler	Kilgore	Tobey
Byrd	Langer	Truman
Capper	McClellan	Tunnell
Caraway	McFarland	Tydings
Chandler	McKellar	Vandenberg
Chavez	Maloney	Wagner
Connally	Maybank	Wallgren
Cordon	Mead	Walsh, Mass.
Danaher	Millikin	Walsh, N. J.
Davis	Moore	Weeks
Downey	Murray	Wherry
Eastland	O'Daniel	White
Ferguson	O'Mahoney	Wiley
George	Overton	Willis
Gerry	Pepper	Wilson
Green	Radcliffe	

The PRESIDING OFFICER. Seventy-four Senators having answered to their names, a quorum is present.

Mr. AIKEN. Mr. President, I appreciate the gravity of the situation which would exist in this country should the war in Europe end suddenly. I appreciate the need for making provision for such contingency with the least possible delay. I realize that the Senate has been called back into session for the purpose of enacting legislation which will better prepare our country for the ending of hostilities in Europe.

We are now considering two bills, and various amendments offered to those bills. These bills were not printed until a few days ago, and very few of the Members of the Senate had any opportunity to see them until this week. Some of us

were on the way back to Washington and could not possibly get a chance to read the bills until Tuesday morning. During the last few days, making use of whatever opportunity I was afforded, I have devoted myself to reading and considering the two measures proposed to be enacted. I have not been able to keep up with the various amendments as they have been proposed, and I have not been able to give the bills the consideration which I feel I would have to give them before I could vote upon them intelligently. Yet from reading the bills and listening to the discussions on this floor, I can only conclude that neither bill anywhere near meets the situation which confronts this country today or deals fairly with all groups of Americans alike.

In my opinion, Mr. President, the enactment of either one of these bills in its present form could prove satisfactory and beneficial only to minority elements of our country. I cannot find a line in either bill that would prevent unemployment or create any new employment. They are both devoted to the payment of unemployment compensation and the means through which such payments should be made.

I cannot find in either bill the slightest provision sympathetic to the millions of poor people in our country who have lived in near distress conditions throughout the entire war and whose conditions will be aggravated with the ending of the war.

I can find in neither bill any provision offering more than scant sympathy to the low-paid white-collar workers of the country, and I can find in neither bill any mention of that great group upon whom the blow would fall hardest should the war end suddenly and the purchasing power of the American public be drastically reduced—the American farmer.

American agriculture would be the first to feel acute suffering from a drastic lowering of living standards and purchasing power of industrial workers. American agriculture may face, indeed will face disastrous surpluses and collapsing prices at the end of hostilities unless we make preparations to meet such a condition.

I ask Senators to consider just one agricultural commodity, and that is milk. In June 1940 the farmers of the United States produced 11,641,000,000 pounds of milk, for which they received an average of \$1.63 a hundred pounds, or about 3½ cents a quart delivered to market. That was a low price, in most cases an unprofitable price.

When war came on much milk was needed for the armed forces. Our industrial workers also demanded more milk. They had the money to pay for it. They bought all the milk previously sold as fluid milk and a large part of that which had previously been manufactured into butter, cheese, and other byproducts. The Government sought by every means to increase the production of milk in America. However, such an increase cannot be obtained over night as it takes 3 years to produce a dairy cow.

By June 1944, however, the production of milk in the United States had increased to 12,540,000 pounds, or about

1,000,000,000 pounds more for the same month in 1944 than in 1940. The average price received by dairymen for June 1944, for the whole United States, was \$3.11 per hundred pounds, or 6½ cents a quart, plus a subsidy which varied from 35 to 65 cents a hundred pounds, depending upon the locality in which it was produced.

This increase in price of milk from \$1.63 a hundred in 1940 to \$3.11 a hundred, plus a subsidy of 35 cents to 65 cents in 1944, has been brought about almost solely through the increase in purchasing power of American industrial workers.

Cows and heifers 2 years and older in milk production have increased from 24,926,000 on January 1, 1940, to 27,607,000 on January 1, 1944. Heifers 1 year and older have increased from 5,521,000 on January 1, 1940, to 6,222,000 on January 1, 1944. Heifers 1 year and under have increased from 5,965,000 on January 1, 1940, to 7,039,000 on January 1, 1944. Over the 4-year period, this represents an increase in cows and heifers of several million, and the increase was brought about at the request of our Government, which asked for an increase in milk production, just as it asked the industrialist to increase the output of his factory and of the laborer to put in more hours of work.

In June 1940 a production of 11,641,000,000 pounds of milk constituted a surplus of milk, so that the farmer averaged only \$1.63 a hundred pounds for it.

Mr. DAVIS. Will the Senator tell us how much that is a quart?

Mr. AIKEN. That is ¾ cents a quart, but that price is the price delivered to the market, and there is considerable transportation expense to come out of it. The farmer probably realized only 3 cents a quart for his milk at that time.

Mr. President, cannot everyone see what would happen to the dairy industry in America if the present production of 12,540,000,000 pounds should find itself without a market because people could not buy it, and there was no demand for it from the armed services? Yet we are making no preparation whatsoever, we are not planning anything to take care of a situation such as, if we stopped to think of it, we would know must exist at the end of the hostilities in Europe.

The American farmers have increased their output of milk at the constant urging of their Government. They do not deserve any such calamity to be visited upon them as would certainly occur if the industrial pay roll of America should be reduced to the pre-war purchasing level, and no provision whatsoever was made to take care of the tremendous loss which American agriculture would sustain as the result of complying with the urgent request of its Government.

Milk is only one item. What applies to milk applies also to fruit, to the fiber crops, and to other agricultural products. I ask, Mr. President, are not American farmers deserving citizens of their country? Do they not deserve consideration in post-war planning? Should not they, as well as industry and labor,

be protected against distress? Why is it we are called upon to legislate for industry and to protect the manufacturer from loss while the plight of agriculture goes ignored?

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER (Mr. JACKSON in the chair). Does the Senator from Vermont yield to the Senator from Minnesota?

Mr. AIKEN. I yield.

Mr. SHIPSTEAD. The beef and cattle industry and the hog industry are in a very precarious condition, as well as the milk industry. So far as I know, no provision is made in the pending legislation to take care of those industries if a sudden slump should come upon us as it did after the last war. At that time there was an artificial deflation of agriculture. So far as we know, the same thing may occur again unless protective legislation is enacted to prevent an artificial slump. After the last war, in the year 1920, when we had the greatest surplus of food in our history, the banks were ordered by the Federal Reserve Board to liquidate all agricultural loans. At that time we had more wheat and more pork than at any other time in the Nation's history, but an artificial slump was brought about, the market was broken by the calling of agricultural loans by the banks.

There should be enacted an omnibus bill to take care of all these contingencies and place all American citizens in the same boat, and give them all the same protection. We are legislating today as though only labor were involved. Industry is taken care of through contracts made with it. I am glad the Senator from Vermont mentioned the possibility of a precarious condition existing with respect to the farmer, who ought to have safeguards provided for him similar to the safeguards provided for other branches of our productive capacity. Farmers work from 14 to 18 hours a day and have produced surpluses at the request of the Government. What is going to happen to them? It seems to me that a comprehensive over-all program ought to be worked out carefully in committee. There is time to do it, and I think it ought to be done. This is piecemeal legislation. If the proposed legislation is enacted, we do not know what protection will be given to other elements of our economy.

Mr. AIKEN. I thank the Senator from Minnesota for his remarks. I think he views the situation clearly as regards the post-war dangers to agriculture. I believe that everyone of us should realize that we cannot legislate for industry or labor alone, but that industry, labor, and agriculture are all interdependent, and if one is left unprotected and goes down, the others will absolutely have to go down with it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TAFT. In the Price Control Act, or some other act, we enacted a provision which guarantees the prices of the five basic commodities at 90 percent of parity. Loans may be made at 90 percent of parity for 3 years, as I remember, after the war. So it cannot be said

that the farmer is left entirely uncared for. After all his interest is in the price of his products. We may not have covered the entire picture; but, so far as the five basic commodities are concerned, as I understand, we are guaranteeing today, and for at least 3 years after the war, a minimum of 90 percent of parity.

Mr. AIKEN. Those are the five basic commodities.

Mr. TAFT. Yes.

Mr. AIKEN. However, products of greater value than the five basic commodities include beef, milk, poultry, and other agricultural items.

Mr. SHIPSTEAD. Also sheep and hogs.

Mr. AIKEN. Yes. Furthermore, in the confusion which we fear is likely to result, all the economists in the Government cannot keep parity figured up to date. The farmers know from experience that they usually get the short end of things.

We are asked to protect labor against the disastrous lowering of wage and living standards; and yet no mention is made of American farmers in either of the bills which the Senate has under consideration. Is it because the farmers do not deserve the consideration which industry and labor deserve? Is it because they have not supported the war effort? If my information is correct, no group in America has more faithfully and loyally devoted itself to the winning of the war than have the American farmers; and yet so far not a voice has been raised in consideration of the farmer, and the plight in which he will find himself at the end of the war, with a reduced demand for his products and a tremendous surplus on hand.

Mr. President, I believe that the failure to take the farmers into consideration is probably due to an oversight, or because other groups have been more insistent in their demands that they be protected against possible calamity at the end of the war. I am in favor of protecting American industry against disaster during the reconversion period. I am equally in favor of protecting labor against the disastrous lowering of income levels and living standards. I agree with many of the provisions of the bills introduced by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE] for the protection of labor during the period immediately following the war. But I see in those bills elements of grave danger unless they are properly safeguarded and amended. I cannot support either of them as it is now written, nor can I vote to return millions of American industrial workers to pre-war unemployment conditions which might force them to accept employment at wages so low that they could not decently support their families, and which might conceivably impair our national health and safety.

Since my return to Washington I have heard it argued that we should get back to a pre-war economy at the earliest possible date after the conclusion of the war. I emphatically disagree with the state of mind which prompts any man

to urge that we return to a pre-war economy and a pre-war income level. The very fact that our national debt has increased from \$44,000,000,000 in July 1940, to more than \$159,000,000,000 on July 1, 1944, or fivefold, should be conclusive evidence to anyone that we cannot return to pre-war economy and pre-war income. Our national income must be held up if the country is to be kept on a safe financial footing.

We legislate for the future, and not the past. If our legislation does not make the future better than the past, we should not undertake to legislate at all. If millions of industrial workers are sent home to seek other jobs, and other millions of people who were only employed part-time before the war are thrown out of work, they will be forced to seek employment at whatever wage they can get. That means that servants can be again hired to set tables, to brush clothes, and drive cars, and they can probably be hired at wages a great deal less than they are now receiving. It will mean that we can hire employees for other purposes, to do things which probably ought to be done, but which we have had to do without during the war. But if millions of men are forced to go back to work at too low levels of wages, it will also mean poorer diets for millions, poorer health, poorer teeth, poorer eyesight for children, poorer education, and poorer standards in many other respects that we in America should never tolerate. It will mean that more people will not have new bathrooms, electric lights, or even food, and consequently that manufacturers will not be able to sell all they produce.

We do not want the old pre-war economy back. We want to work for the future. As I stated in the beginning, I do not minimize the necessity of enacting at the very earliest possible date legislation to take care of post-war situations; but I am resentful when I think that I am expected to vote on what many of my colleagues say is the most important question of this generation, after having had the bill in my hands for only 3 days, with little opportunity to study it.

While it is desirable to enact some legislation as soon as possible, we must not hurry through undesirable legislation merely to enable us to say that we have enacted some legislation to take care of the situation, because such legislation would be full of errors which would have to be corrected later, and which would perhaps cause considerable damage before they were corrected.

I cannot vote for either bill now before the Senate as it is at present written. I believe that a bill can be written which would be fair to all groups, and which would take care of the situation for agriculture as well as for industry and labor. For that reason I move that the two bills now under consideration be recommitted to the respective committees from which they were reported, so that those committees may bring forth a real American plan which will be fair to all groups in our Nation, and which the Congress can safely approve.

The PRESIDING OFFICER. The parliamentarian informs the present

occupant of the chair that there is but one bill now before the Senate. That is Senate bill 2051. The other bill is involved because it is presented by way of amendment.

Mr. AIKEN. Then, Mr. President, I move that whichever bill is properly before the Senate be now recommitted to the committee from which it was reported.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SHIPSTEAD. If the Senator has in mind the writing of a new omnibus bill to take into consideration the needs of all the various branches of our economy, would it not be well to have just one committee do that? I think the Senator said the bill should be referred to various committees. But now there is only one bill. What committee handled the bill?

Mr. AIKEN. I understand the bill which is properly before the Senate is the one which was reported by the Finance Committee. I ask the Chair whether that is correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. AIKEN. It appears to me that somewhere between the two bills we are considering lies a fair answer to the problem.

I also hope that consideration will be given to our great agricultural population, for if that goes down it will inevitably carry down with it labor and industry.

Mr. TOBEY. Mr. President, I merely rise to state that I concur heartily in and endorse the sentiments expressed by my friend and colleague, the Senator from Vermont [Mr. AIKEN]. I say that, after watching him in action since his coming to the Senate, the profession of agriculture has no more ardent or sincere supporter. I shall gladly support his motion to recommit the bill, in accordance with his remarks and his motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont that Senate bill 2051 be recommitted to the Committee on Finance.

Mr. TOBEY. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. GEORGE. Mr. President, I wish to make only one observation. The Committee on Finance has no jurisdiction of any of the problems to which the Senator from Vermont [Mr. AIKEN] referred in his address. It has no jurisdiction over the farm problem as such, or over the cancelation of war contracts, or over the reconversion of war industries to peacetime. If the bill were recommitted to the Committee on Finance, such action would properly apply only to that provision of the bill which deals directly and exclusively with the amendment of the Social Security Act. Therefore I hope the motion will not prevail.

Mr. SHIPSTEAD. Mr. President, before the vote is taken on the motion I suggest to the Senator from Vermont that he amend his motion so as to request the appointment of a select committee, and to have on that committee

various members of the committees which have charge of the different subjects. I suggest that such a special committee be appointed and that the bill be referred to it. On that committee I would have members appointed from the Committee on Military Affairs, the Finance Committee, the Committee on Agriculture and Forestry, and the Committee on Education and Labor.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Do I correctly understand that if the motion to recommit Senate bill 2051 is agreed to, Senate bill 2061 will still be before the Senate for consideration?

The PRESIDING OFFICER. It will still be on the calendar, but will not be the pending business.

Mr. AIKEN. Mr. President, regardless of whether the Finance Committee would have anything to do with the agricultural situation, personally I do not see how I can vote for Senate bill 2051, having to do with unemployment compensation, as it is now before us, having been reported from the Finance Committee. But I believe that for the good of the country we should consider the matter of the post-war treatment of agriculture, labor, and industry, all at practically one and the same time, and that if the Finance Committee does not have anything pertaining to agriculture under its jurisdiction—and I accept the word of the Senator from Georgia [Mr. GEORGE] that it does not—the proper committee should report a bill to the Senate. I believe that if we go ahead and legislate for the benefit of industry and labor, but leave agriculture until the end, agriculture is likely to receive far less consideration than it would receive if it could be considered at approximately the same time when the other industries are considered.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Vermont withdraws his motion to recommit the bill?

Mr. AIKEN. No. I do not. I do not think we should legislate for one or two groups, and leave out the other group.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont that Senate bill 2051 be recommitted to the Committee on Finance.

Mr. WALSH of New Jersey. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial from the Washington Post of today. The editorial is entitled "Time to Compromise." It expresses my views on the pending legislation much more convincingly and ably than I could possibly present them. I am very much concerned over the prospect that in voting on this legislation I may have to choose the lesser of two evils. I find one proposal wholly inadequate and the other demoralizingly lavish, to borrow a phrase from the Post editorial.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TIME TO COMPROMISE

The Senate debate over the unemployment compensation features of the rival George and Kilgore demobilization bills has revealed the serious inadequacies of the former, even in its modified form, and the demoralizing-lavishness of the latter. Both bills set up Federal supervisory machinery to cooperate with the States in making provision for the unemployed during the demobilization period, and neither bill contemplates supersession of the existing State systems of unemployment insurance. The major issue in dispute relates to the scope of the Federal-aid program and the scale and variety of the benefits to be paid. There are no great issues of principle involved, although some Senators are trying to make it appear that such is the case.

As previously pointed out, the George plan is inadequate because it leaves the schedules of benefit payments established by the States unchanged. In many States the unemployment insurance system is woefully deficient in respect to the amounts and duration of benefits paid, and in all cases the coverage is too limited. It does not seem possible, as Chairman Altmeyer of the Social Security Board points out, that in the time remaining before the war ends, State employment systems can be improved sufficiently to provide needed protection against widespread demobilization unemployment. Indeed, the States could not, if they would, cope unaided with a problem that is of national scope. Federal legislation is needed to extend insurance coverage to civilian war workers of the Federal Government, who are outside the State systems. It is also required to assist poor States and compel some niggardly rich States to raise the scale of benefits above the low levels that prevail in so many cases.

The Kilgore bill, instead of being content with raising benefits to reasonable levels, provides for payments to unemployed civilians running as high as \$35 weekly in case of persons with three dependents. To be sure, no worker could receive more than 75 percent of his weekly wages, with maximum payments limited to \$20 weekly for single individuals without dependents. Since the 75 percent limitation is computed on actual earnings obtained in the best quarter of the 3 years preceding an application for benefit payments, most unemployed former war workers would be entitled to maximum payments. Furthermore, it appears that payments under the Kilgore bill might continue for a good many years, since its provisions run for 2 years from the termination of the war. So long as a family man could draw unemployment benefits of \$35 per week he would hardly consent, except under duress, to accept a job paying less than that amount. Indeed \$40 or \$45 per week would have slight lure under such conditions.

The estimated costs of the Kilgore plan are based on so many assumptions that they amount to mere guesses. However, it is generally agreed that the costs would run to staggering figures if any considerable volume of unemployment developed—figures that cause shivers of apprehension among all but fervent believers in the power of spending to work miracles. Disregarding the cost aspect of the plan, the fact that it would put a premium on idleness should be sufficient to cause its rejection in favor of decent provisions for even the lowest paid war workers, while keeping maximum benefits low enough to make the unemployed eager to find new occupations. A suitable compromise plan could easily be devised by modifying either the George bill or the Kilgore bill without overthrowing the existing State systems of unemployment insurance.

Mr. REYNOLDS. Mr. President, the Senator from Georgia [Mr. GEORGE], my distinguished colleague and beloved

friend, just a moment ago made inquiry of me whether I would object to having a vote taken on the motion to recommit before I make my modest observations. I always desire to accommodate my colleagues, and particularly the Senator from Georgia [Mr. GEORGE], because of my great admiration and affection for him. I am sure it is proper to have the vote taken on the motion before I orate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont [Mr. AIKEN] that Senate bill 2051 be recommitted to the Committee on Finance.

The motion was rejected.

Mr. REYNOLDS. Mr. President, having accommodated my friend from Georgia, as I was very happy indeed to do, I should like to proceed at this time.

I wish to say to the Members of this body, as individuals, and as constituting one of the two branches of the Legislature of this great Nation, that we shall not be able to face the men returning from the battlefields unless we proceed at once to enact into law the Murray-Kilgore bill which is now before the Senate, and which has previously been passed upon by the Committee on Military Affairs. I may add that in connection with its consideration in the Committee on Military Affairs, the hearings covered several days.

Observers who have toured the far-flung areas of the world where Americans are daily jeopardizing their lives to beat down our enemies and preserve the integrity of our Nation are unanimously agreed that all of our men abroad dream and long for the day when, the fight won, they can return victorious to the United States to the homes, the families, the hallowed places and institutions whose value is now thrice enhanced by the bitter price we have paid to keep them secure.

Let me say at this time that I am opposed to any world-wide military force. I wish to have our boys and our girls in uniform returned home the minute the present struggle is over, and I hope and pray to the great God above that there never again will be occasion to fight on foreign shores. I pray that if there is ever again occasion to fight at all, it will be to fight only in defense of and on our own shores. The longer our men see and endure the ravages of war in other lands, the more America becomes to them an oasis in a world of arid devastation. It is a powerful image, which spurs them on to overwhelm our enemies and to return to our own beloved country to resume the arts of peace and to devote their energies to the continuing betterment of our own way of life, which I hope and pray they will find to be as good as when they left it.

What will we have to offer to the men who, all through the hell of war, carry in their hearts this glowing vision of America, the men whom we have asked to postpone all the comforts, the blessings, the fulfillment of which are the birthright of every American? Our men under arms are fighting for a land of peace and plenty. They are winning that fight. Their hopes are high. Their disillusionment will be all the more grim

and their anger the more profound if they return to find that a faltering economy at home denies them the welfare, the security, and the happiness for which they have risked their lives abroad. I refer to both the men and women of our armed forces who are serving on foreign shores and in every sphere of the entire world.

Mr. President, we must not fail our fighting men. We will not shirk our responsibility to lay the basis now for a post-war America which will give meaning to their sacrifices. That must be an America whose productive mechanism is running in high, offering to every returned serviceman an opportunity to contribute his skills and participate in a national peacetime period. It is an America which will produce abundantly the goods and services which our veterans will desire, and which will provide them the means for their acquisition. It is an America which can tolerate no waste, either of manpower or of resources. The Murray-Kilgore bill has as its objective to insure such an America and the maintenance of full production and full employment, which are the only adequate guaranties of good living for the returned soldiers of our citizen Army.

The peacetime fate of our veterans is inseparable from the prosperity of the country as a whole. To talk merely of job preference for veterans is to take a view so partial and short-sighted that it beclouds the true dimensions of the problem which faces us. Unless we take steps at once to provide work for all, the livelihood of the returned soldier will be completely dependent upon the conscience and the bounty of the individual employer—an uncertain future. And unless we take steps to assure full production, employers with the best will in the world will have few jobs to offer to the demobilized servicemen. We shall be confronted by the grim spectacle of war veterans competing for jobs with their fathers, sons, and brothers who, although they did not have the opportunity to fight for their country on the field of battle, have done yeomen service on the home front in turning out food and weapons to win the war. The outcome is easy to foretell. Wages will be forced down, unemployment will spread, purchasing power will decline. With markets for goods thus shrunk, industrial stoppages will increase, thereby throwing more persons out of work and culminating in a crisis.

We have only to consult the pages of recent history in order to know that we must act now if we are to escape the chaos that engulfed us at the end of World War No. 1, and from which we never thereafter fully recovered. It is a matter of record that servicemen fared ill in the days and months which followed the November 1918 armistice. Returned heroes formed lines at employment offices, or walked the streets vainly searching for work. In metropolitan areas, many peddled "welcome home" signs and other articles to earn enough for bare survival. A contemporary newspaper commented bitterly as follows on the plight of ex-soldiers:

In New York this is but one species of begging to which impoverished heroes have been compelled to resort. Selling newspapers on the street corners, peddling from push-carts and shoulder-slung trays is a common sight. The city of New York stages a welcoming spectacle costing several thousands of dollars—and generously instructs the police to refrain from arresting wounded soldiers for peddling shoestrings without securing licenses.

In many quarters the ex-servicemen were met with a barren and calloused attitude. The Philadelphia Record of February 20, 1919, described as follows the employment situation on a particular railroad:

While their dissatisfaction is natural enough, the railroad can offer no relief. Those who were left behind have the opportunity to learn more of the business and have made themselves more valuable in that particular line. The greater value to the country of the fighting men's service is acknowledged, but what is to be done about it? It is the soldier's fate to take much of this compensation in glory and the consciousness of having done his high duty. It isn't comforting, but it was ever thus.

That those who have survived the hazards of battle should be subjected to the hazards of economic depression is the greatest irony and injustice. The Murray-Kilgore bill is a preventive against depression. It minimizes dislocations by synchronizing war production cut-backs with resumption of civilian supply. It retrains and transfers workers to new jobs. It sets up a system of unemployment compensation which will maintain purchasing power at high levels, and not allow transitional unemployment to cause the crumbling of our entire American way of life. The Murray-Kilgore bill means jobs for veterans—not any old jobs at any old wage, but American jobs, jobs which utilize their skills and talents, jobs which yield them a decent recompense.

I note with deep distress and shame that anxiety over post-war job competition has already generated in some quarters sentiment for deferring discharge of servicemen until work is available for them. Let me quote from an article which appeared in the Washington Star on August 6, 1944:

Obviously, those in the forces should be discharged as soon as practicable, but it is hoped that the lesson of overrapid, unplanned demobilization after World War No. 1 will be remembered, service men and women and their families will be able to temper their very natural desires for reunion with an understanding of the problems involved. It is hoped, too, they will bear in mind the depression lasting almost 2 years that followed the brief burst of reconstruction activity after the soldiers returned in the last war.

Within the framework of military requirements . . . there is still room for seeking to coordinate the rate and order of discharges with economic considerations and the desirability of releasing older men with family responsibilities first.

And I say that is quite right.

Authorities are seeking to work out plans to brake the rate of releases to industry's ability to absorb them. This means a slowing down of the demobilization process so that industrial reconversion can get under way before the labor market is flooded.

The suggestion to slow down the demobilization process strikes me as cold-blooded. I can only say that after the sufferings, the privations, the miseries of every description which these men have endured, to keep them from their families, to subject them to the rigor and cheerlessness of military life for 1 day longer than our national security demands, is worse than ungenerous; it is worse than ungrateful. It is criminal and inhuman.

Insofar as I am concerned, I wish to repeat that I want our men in uniform from all parts of the world to be returned immediately to their loved ones, their homes in the United States of America, as soon as this war is over, and I pray to God that they will never again be called upon to fight on any soil, except their own native soil, in defense of their own beloved United States of America.

In this connection, Mr. President, I should like to read from the language of the Murray-Kilgore bill: Title III states—

The Congress hereby declares that the objectives of this title are—

(a) To facilitate the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war;

(b) To maintain maximum employment in the transition from war to peacetime production;

(c) To provide for the coordination of the demobilization of servicemen with employment opportunities under a policy of demobilizing servicemen as rapidly as the military situation permits;

(d) To provide necessary training of ex-servicemen and war workers; and

(e) To provide the necessary economic assistance to returning ex-servicemen and war workers in connection with transfer, training, and reemployment.

The Murray-Kilgore bill provides that every effort shall be made to place discharged servicemen in suitable employment. But whether jobs are immediately available for all or not, when the war is won these men must be demobilized and allowed to make their readjustment to civilian life without delay—and that is my hope. The measure now before this body takes care of such contingencies as lags in reemployment. It provides a system of benefits which will maintain the ex-soldier and his family at a decent living standard during the period between demobilization and placement in a civilian job. It will eliminate the frantic competition of near-destitute men for any job at any wage, and prevent the glutted labor market and depressed wages which must inevitably follow such competition.

The Murray-Kilgore bill, which is a full production-full employment bill, thus provides the general framework for the speedy and successful reabsorption of veterans into American life. It is, in that sense, a veterans' bill. It is, in a more specific and limited sense, a veterans' bill, in that it addresses itself particularly to the problems of the returned soldier and makes provision for him apart from and beyond the measures designed for the civilian population. In making this distinction the authors of the bill were conscious of the desire which is general throughout the Nation,

to manifest, however inadequately, the enormous gratitude we feel toward those who at the risk of their lives have defended our homes, our land, and our cherished liberties. The authors of this bill were further motivated by their realization that the veteran faces a much more trying period of reorientation than does the civilian war worker, and requires more generous assistance.

The Murray-Kilgore bill goes further than existing statutes to meet the requirements of a veterans' readjustment program. The Mustering-Out Act of February 1944 provides payments of \$100 for service men and women with less than 60 days' service, \$200 for those with over 60 days' service, and \$300 for those who serve overseas. The present measure increases these payments substantially, in accordance with the following arrangement: Equal monthly installments are paid at the rate of \$100 if the serviceman is without dependents, \$125 if he has one dependent, and \$150 if he has two or more dependents. Every serviceman receives a minimum of two installments, with an additional installment for each year of active service and an additional installment for overseas service. Thus, every serviceman would receive at least \$200, as compared with the \$100 minimum to which he is now entitled, while a serviceman with two dependents, who had seen a year of active service, any part of which was overseas, would receive \$600, as compared with the \$300 to which he is entitled under existing law.

The G. I. bill of rights, which recently became law, provides unemployment compensation for demobilized servicemen at the rate of \$20 a week for a maximum of 52 weeks in a 2-year period. The Murray-Kilgore bill, which is now under discussion by this body, doubles the number of weeks during which the soldier may claim benefits and increases the amount of compensation, varying it in accordance with the number of persons dependent for their support upon the serviceman. For every week of unemployment for 2 years following the termination of hostilities or his discharge from the Army, whichever date is later, the ex-serviceman would receive \$20 if he had no dependents, \$25 if he had one dependent, \$30 if he had two, and \$35 if he had three or more. In no case would payments to civilian workers exceed this rate, and in many instances such payments would fall substantially below the level for servicemen.

Extending the duration of benefit payments is of the utmost consequence to the functioning of our economy and to the individual adjustment which the discharged serviceman must make. The Murray-Kilgore bill allows him a reasonable period of time in which, freed from financial distress and anxiety, he may reorient himself to the pursuits of civilian life. It is our thought to relieve him from economic pressure, while he rediscovers his old skills or acquires new ones, and finds employment which utilizes those skills. If we deny him this period for refocusing his interests and energies, the struggle to earn a livelihood may

force him to accept substandard and unsuitable employments which depress the job market, spell personal frustration for the serviceman, and perhaps lose to us as a Nation forever the fruits of his creative talents.

I should like to speak for a moment upon the import of providing increased mustering-out payments and unemployment benefits to servicemen with dependents. The War Department informs me that of the total enlisted men and women in the Army, an estimated 32 percent have direct dependents. Of the total, 19 percent have one dependent, 10 percent have two dependents, and 3 percent have three or more dependents. Many of the families of our men have courageously accommodated their living to reduced wartime scales, giving up their material comforts as well as their men to see their country through its crisis. These families, deprived of their chief breadwinners, have had little opportunity to accumulate savings which might tide them through the period of readjustment. They need and deserve supplementary aid. Only thus can servicemen who are heads of families be placed on a comparable financial footing with those who have no dependents. Without such additional payments, families become an economic handicap, reducing the veteran's mobility, thrusting him into employment while his single comrade has an opportunity to select and choose the more advantageous job. Surely we cannot wish to penalize the veterans who have family responsibilities. Yet such would be the disadvantaged status of one-third of our fighting men under existing statutes, which make absolutely no provision for increased payments for dependents.

I should like to ask how we could face our soldiers and sailors when they return, how we could face their families now, if we should deny them the increased benefits which the Murray-Kilgore bill provides—paltry enough reward for the sufferings they endure and the sacrifices they make.

For the men on the battlefields, partisan political creeds lose their identity and are merged into one democratic ideal which is their everlasting inspiration. Let it be our inspiration as well. Let no narrow partisan spirit move any one of us. Let us give to the men who are defying death for that democratic ideal the best this country has to offer, for they have amply merited it.

Mr. President, the Committee on Military Affairs of the Senate has as one of its aides, and a very able aide, Col. Lewis Sanders, a courteous and willing gentleman, one who is actually possessed of a greater store of general knowledge than any man with whom I have ever personally come into contact. A few days ago I had a conversation with Colonel Sanders in reference to a portion of the pending bill, and as a result of my inquiry and request, on August 7, just a few days ago, he addressed to me a communication which I shall now read. It is as follows:

WASHINGTON, D. C., August 7, 1944.
Hon. ROBERT R. REYNOLDS,
Chairman, Committee on Military Affairs,
United States Senate.

DEAR SENATOR REYNOLDS: In response to your instructions I submit the following analysis of the probable operations of title III of S. 2061.

In estimating the cost of the unemployment compensation provided under S. 2061, and its effect on the national economy, its provisions must be analyzed from the basis of its purpose.

From the discussions during the committee hearings and from personal conversation with several of the Senators who are proponents of the bill it is my understanding that the primary purpose of title III is prevention of unemployment and not the furnishing of relief to those unemployed, which latter is the primary purpose of the State-controlled unemployment-compensation systems.

In the transition from war to peace we face two types of unemployment. First is the unemployment that will exist during the period of conversion and which will be occasioned by the closing or partial closing of plants during the time required to change them over for the production of civilian goods. As only a fraction of a plant's operating force can be utilized on the work of reconversion the remainder must necessarily remain idle until the change-over has been completed.

This type of unemployment will also be increased by the inability of reconverted plants to reach full production at once. Perfect synchronization cannot be achieved in reconversion and full supply of all raw materials or of all fabricated or machined parts cannot possibly be made available simultaneously. It is inevitable that many plants will, for varying periods of time, find their output limited not by their own ability to produce but their ability to procure certain items in the general market.

The second type of unemployment is spiraling unemployment which arises both from the unemployment of the first group but even more from the fear of unemployment on the part of those still holding jobs but who become uncertain of their own future when they see large numbers of people out of work.

It is this spiraling unemployment which creates and maintains a major depression. Spiraling unemployment reaches such large figures because nearly half of those in the labor market are engaged in producing goods or rendering services which most of our people can do without for varying periods of time without suffering any notable inconvenience thereby. An example with which all are familiar is the length of time that elapsed after motorcar manufacture ceased before it inconvenienced the individual motorist.

Fear of unemployment will cause employed people to curtail their expenditures thereby creating more unemployment and thus through their own actions bringing about the very conditions they fear.

The State controlled unemployment compensation is intended to protect against want those temporarily out of work in the normal operations of a highly industrialized society.

The interim placement benefits provided for in title III of S. 2061 are intended to prevent spiraling unemployment arising from the curtailment of expenditures by those still employed but who have become fearful of the security of their jobs. It seeks to do this by giving them courage to continue their normal expenditures by insuring them a higher than a mere subsistence level of unemployment compensation on which to fall back should their job fold up. The State levels of unemployment compensation are

obviously too low to inspire such confidence in a careful man as would induce him to continue his normal rate of expenditure after he feared for the permanency of his employment.

In other words, State unemployment compensation is a relief measure while the purpose of title III is as a preventive measure. I do not understand that there is behind title III any philosophy as to spending our way out of unemployment through creating purchasing power by the disbursement of unemployment benefits to individuals. The philosophy being to prevent unemployment by inducing people to continue normal purchases from earned incomes and savings by giving them an insurance sufficient to allay their fears of unemployment.

The extent of reconversion unemployment will be determined by the time intervals between termination of the different phases of the war and by the amount and skill of advance planning and the ability with which the reconversion program is administered.

Assuming the most favorable circumstances, I believe that reconversion unemployment can be held to a maximum of 5,000,000 people. Under average conditions, as to advance planning, ability of administration, etc., I think that it might reach a total of 10,000,000 people.

If spiraling unemployment results from the apprehensions engendered in the public through the existence of such widespread unemployment I would estimate that the above figures would be doubled, or would involve 10,000,000 and 20,000,000 people, respectively. To avoid extremes I will base my analysis on the more favorable conditions, which would give us 5,000,000 reconversion unemployed and 5,000,000 additional unemployed as a result of spiraling.

The purpose of title III is to prevent the idleness of the 5,000,000 persons temporarily out of jobs as a consequence of reconversion from rendering a second 5,000,000 idle through spiraling.

I would estimate the average interim placement benefits under title III to be \$25 per week and the average earnings, when employed, of those drawing the benefits to be \$25 per week. I have estimated earnings as being only equal to benefit payments because of the minimum rates set for veterans. I would estimate that under present State unemployment compensation rates this same group would average \$12 per week for 16 weeks and thereafter would cost, through various relief projects, an average of \$8 per week, from public funds, to care for each unemployed person.

Direct costs would be as follows:

Under title III:
5,000,000 unemployed at
\$25 a week----- \$125,000,000
Per year of 52 weeks----- 6,500,000,000

Under State unemployment compensation: 5,000,000 reconversion unemployed and 5,000,000 spirally unemployed or a total of—

10,000,000 unemployed at
\$12 a week----- 120,000,000
For a period of 16 weeks-- 1,920,000,000
10,000,000 on relief at \$8
a week----- 80,000,000
For a period of 36 weeks-- 2,880,000,000

Total for 52 weeks---- \$4,800,000,000

Excess of direct cost of title III over State unemployment compensation plus relief for a period of 1 year ----- \$1,700,000,000

¹ Total under George bill.

² Amount of excess cost under title III.

Indirect costs would be as follows. Indirect costs comprise the loss of national income due to the loss of production of those unemployed:

Indirect costs of title III:	
5,000,000 idle at \$25 a week-----	\$125,000,000
Lost income for 52 weeks-----	6,500,000,000
Indirect costs under State unemployment compensation:	
10,000,000 idle at \$25 a week-----	250,000,000
Lost income for 52 weeks-----	13,000,000,000

Excess of indirect costs of State unemployment compensation and relief over title III-----	6,500,000,000
--	---------------

Total costs per annum

Title III:	
Direct costs-----	\$6,500,000,000
Indirect costs-----	6,500,000,000
Total-----	13,000,000,000
State unemployment compensation plus relief:	
Direct costs-----	4,800,000,000
Indirect costs-----	13,000,000,000
Total-----	17,800,000,000

Excess of total costs of State unemployment compensation insurance plus relief, over title III (under favorable conditions, i. e. minimum unemployment)----- 4,800,000,000

NOTE.—I have made no distinction between State and Federal payments, since all derive from the same taxpayers.

The above would represent the minimum savings if title III effected its objective, since it assumes that the period during which the unemployed would have to be provided for would be the same in each case. But if title III produces the results intended not only would the number of unemployed be much less than without it, but the period of unemployment would also be shorter.

It should again be emphasized that title III does not purport to achieve results by creating purchasing power through Government payments to individuals and "lifting ourselves by our bootstraps." It seeks to maintain the maximum possible employment through the period of reconversion by inducing normal expenditures from the huge accumulated savings that will be on hand and from the earnings of those still employed. In other words, it hopes to keep active existing resources and does not pretend to create synthetic ones.

The obvious question is: How can you be sure that title III will accomplish the result sought? The answer is: That you cannot. But you can be sure of spiraling unemployment and 10,000,000 instead of 5,000,000 unemployed if something is not done to prevent the spiraling process. Nothing else has so far been proposed.

The adoption of title III, however, would not commit the country to limitless expenditures on an unproved experiment, as has been suggested. The maximum probable weekly expenditures, and their excess over costs under present State rates, can be calculated and time limits are within the control of the Congress.

The efficacy of title III can readily be determined. If reconversion employment does not exceed 5,000,000, title III will have justified itself. If, due to adverse factors, unemployment reaches 10,000,000 but within 6 months starts to rapidly decrease, title III will probably have been the major factor. But, if unemployment reaches 10,000,000 and within 6 months does not start to rapidly

decline, I would consider that title III had failed of its purpose and should be repealed and replaced by straight relief measures.

You asked me to analyze the conflict, if any, between S. 2061 and S. 2051—the George bill.

I find no conflict. S. 2051 is a straight State-aid bill making available, to such States as desire, Federal funds with which to increase their State unemployment compensation rates or the period during which payments will be made.

Title III of S. 2061 is the assumption by the Federal Government of responsibility for a national unemployment emergency that will result as part of the war effort; it is entirely distinct from normal industrial unemployment. While there is no conflict between the objectives of the two bills there is in the language since S. 2061 does not make it clear that it is dealing exclusively with a war emergency and is not imposing Federal standards on the normal State unemployment compensation systems. It should be possible to clarify this situation by slight changes in the language of S. 2061 should this be found desirable.

You asked my opinion as to the relative efficiency of public works projects and cash unemployment benefits in combating unemployment.

I believe that public works have an important though definitely limited part in any post-war program.

I think they should be limited to normal projects that would eventually be constructed in any event.

The extent of the projects should not exceed that which can be executed by the normal construction forces available after providing for all the private construction which can be counted upon.

People engaged upon them should be limited to those who would be working in their normal occupations.

Public works are too inflexible to be a major tool with which to counter a depression. It takes at least a year to prepare plans, before which no substantial amount of work can be undertaken.

The types of jobs available are too limited to meet the needs of widespread unemployment. It is more destructive to the morale of most men to place them in jobs to which they are not accustomed, as a means of relief, than it is to give them direct cash payments. (Fifteen years ago I believed the exact contrary.)

Public works are difficult to discontinue when once started, although they can be slowed down materially.

There is a fallacy that the cost of all public works are offset by the creation of new public assets. This is not always true. Public works constructed in advance of the need for them are liabilities until needed since depreciation sets in at once and they must be maintained.

My estimate of the total cost of soundly conceived public works that we could put into a post-war program is \$20,000,000,000. Of this amount completed plans are now ready for not more than \$5,000,000,000 worth of work which is, therefore, the total cost of such projects that could be started immediately and the construction would have to spread over some 3 years, or the actual rate of expenditure would be less than \$2,000,000,000 per annum.

It would take a year to prepare plans for the remaining projects and these plans would cost about \$1,000,000,000 and no substantial work could be started on these projects until the plans were completed.

Sincerely,

LEWIS SANDERS,
Colonel, Field Artillery.

I may add that Colonel Sanders is now assigned to the Senate Committee on Military Affairs.

Mr. President, I have spoken briefly of our soldiers. Finally I wish to touch briefly on a few very important and significant highlights brought out in the hearings on the Kilgore-Murray bill. An extremely significant statement by Mr. John H. Pierson, Chief of the Post-war Division of the Bureau of Labor Economics, United States Department of Labor, to whom I shall refer later, came to the attention of the Military Affairs Committee recently through a quotation in the Capital Gist Service, a research periodical on paramount national issues published in Washington at 100 C Street SE. Mr. Pierson declared:

Whether or not the return of peace is going to usher in a period of discrimination and bitter group feelings and antagonisms and contentions that draw the lines between men and women, Negroes and whites, ex-servicemen and civilians, native-born and naturalized, depends almost entirely on whether or not we allow the unemployment situation to get out of hand.

Who knows but that the very recent and regrettable transportation tie-up and serious trouble in Philadelphia, the City of Brotherly Love, may presage similar disorders and internal strife in the future, almost anywhere and perhaps everywhere in the country, unless we here do all that lies within our power to remedy the causes of such conflicts?

There are two main objectives of the Kilgore-Murray bill that we should keep in mind: First, to establish an indiscriminatory scale of unemployment compensation as between classes and groups, and as between workers in and from different States; and, second, to minimize unemployment itself by maintaining a fair purchasing power, as I have previously mentioned, amongst the unemployed, or what amounts to a bare subsistence level.

I submit that it is essential that we use great foresight in considering the problems before us, for our action in that respect will affect millions of our people, and will have far-reaching influence upon the future welfare and tranquillity of our Nation.

Ultimately it will be far less costly to be generous in providing for our unemployed and their families, than to pursue a short-sighted and niggardly course which may engender the very bitter group feelings and antagonisms about which Mr. Pierson so wisely has warned us. I took occasion to read his statement into the record in executive session of the Committee on Military Affairs.

In considering the avoidance of a discriminatory unemployment compensation system let us analyze the situation and see who are the civilian unemployed. They are the fathers, brothers, sisters, wives, and other relatives of those in our armed forces now fighting all over the world.

I now wish to point out to the Senate what I believe is some very important and fundamental testimony by the Senator from West Virginia [Mr. KILGORE], one of the authors of the bill, during the hearings, showing how the unemployment compensation provisions of his bill make for far better unemployment compensation for veterans with children than does the G. I. bill. The Senator

from West Virginia declared, as shown on page 390 of the hearings:

They—

Veterans of World War No. 1—

found themselves dependent when they came back. I don't want to see that happen again if I can stop it.

We guaranteed him—

The selectee in World War No. 2—

a job, at least verbally, when he went to war. We said to him, "We will guarantee you a job"; then we drafted a bill which did not guarantee him a job at all. It had so many loopholes in it that you could drive a 10-horse team through it from every angle.

Now I wish to quote Mr. Schimmel, a counsel to our committee. He has given a great deal of thought, time, and study to the whole subject, particularly to the portions embodied in this bill.

I think the record should show that the soldier who comes back and who has two dependents at home, will get less unemployment compensation under the present G. I. bill than his wife had been getting in her monthly allotment check.

The Senator from West Virginia [Mr. KILGORE] replied:

If there were more than one child, he would get considerably less, and that does not consider the fact that he also was drawing some salary in the service and his rations, clothing, lodging, and everything else, and he is adding to the family budget his living expenses, and yet the budget has not increased.

I quote Mr. Schimmel again:

The effect of this provision—

In the Kilgore bill—

would be to keep the compensation that is paid a single man in the service and the serviceman on exactly the same level as in the G. I. bill, but would make additional allowances for dependents, plus increase in duration.

Mr. REVERCOMB. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WALLGREN in the chair). Does the Senator from North Carolina yield to the Senator from West Virginia?

Mr. REVERCOMB. I merely wish to have the Senator yield to me so that I may ask a question.

Mr. REYNOLDS. I ask the Senator to defer his request for a moment. I shall be through very soon, and I will yield after I finish my remarks. I do not wish to interrupt the continuity of my address at this point.

Mr. President, I predict that virtually all veterans and relatives and friends of veterans, and that means about everybody, will be for this measure when they understand correctly its provisions and operations and when they get a true picture of the over-all structure and situation.

If we would use foresight and would visualize the possible conditions in the post-war era, if we would picture the needs of the children of our heroic veterans, certainly we would see the wisdom and justice of doing everything possible for those of whom the Great Master said, "Suffer the little children to come unto me, and forbid them not: For of such is the Kingdom of God."

It is well and good, Mr. President, to give medals and erect monuments to our

war heroes, but it has well been said that veterans cannot eat medals. Neither can their little children. Erecting stone or bronze monuments is not going to put more food into the mouths of the children of our veterans or more clothing on their little bodies, to protect them from the blasts of winter.

Who can claim that, with three or four children to support, an unemployed veteran or civilian can keep his children from suffering the pangs of hunger when the family income is only \$12 or \$18 a week? If we could see hungry children of the unemployed on our doorsteps we would really do something to make proper provision for them. To do less for our unemployed veterans and civilians than is provided for in the Kilgore-Murray bill would be tantamount to taking bread from the mouths of little children, including those of our war heroes.

After all, charity is supposed to begin at home. We do not seem to bat an eye when it comes to appropriating billions upon billions of dollars for the relief of people in all parts of the world, but when we consider the basic needs of possibly millions of children of the unemployed here in America, there appears to be a tendency to adopt a niggardly policy.

We have certainly been and are planning on being quite generous toward property in reconversion. Should we not be as generous and considerate of humanity as we are of property?

After all, the whole problem boils down to the humanitarian issue of whether we are or are not going to provide adequately for the children of future unemployed Americans.

Let us not be in the position of keeping bread from the mouths of hungry little children in this land which has sacrificed its all to aid in bringing freedom from want to the rest of the world. Why not now legislate with a view to guaranteeing freedom from want here at home in our own America?

Mr. President, yesterday I listened with a great deal of interest to the extremely able address of the distinguished junior Senator from West Virginia [Mr. REVERCOMB]. He made a very fine and convincing statement. I directed to him an inquiry as to what, in his opinion, would be the cost of the administration of either or both of the bills which are now before the Senate. Whether it be the so-called George bill, or the Murray-Kilgore bill, I know it will be the right bill for the American people. I favor the Murray-Kilgore bill, but I know, as well as I know that I stand here, that the author of the George bill is as much interested in taking care of the men and women who have fought abroad and on the home front, as well as their dependents, as are the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE]. I know that the hearts of all three of the authors of the two bills are with the millions of people who will be unemployed in this country after the war ends.

I wish to have enacted into law the best bill that Congress can enact. I shall accept the bill which this body, in its wide discretion, decides is the best bill. So far as the amount of money to be expended is concerned, I am not giving it

any consideration for the reason that nothing is too good for the men and women who are ready to die for America. Nothing will be too good for the fathers, mothers, wives, and children of men who give their lives for the privilege of bringing victory to our country.

Mr. President, repeating what I said yesterday, I shall be in favor of whichever bill the Senate determines to pass, and I hope that the appropriation which will be necessary to put it into operation will be forthcoming without any delay, regardless of the number of billions of dollars which will be required. I want the men and women of our armed services who will return to this country, to have the necessary funds. I want the money supplied for them in order to avoid hunger, and in order to provide for the welfare of the unemployed millions whom we shall have in this country following the war. I do not care what amount the Senator from Georgia asks for, I do not care what amount the Senator from West Virginia asks for, and I do not care what amount the Senator from Montana asks for; I want the money appropriated. I want it set aside as a special fund which cannot be touched for any other purpose. If this country goes bankrupt I want it to go bankrupt in behalf of American citizens.

Today there is a ceiling of \$267,000,000,000 on our national debt. Proper care of the veterans of this war will be a part of the cost of the war itself. Up to date the care of the soldiers of World War No. 1, according to the testimony of an officer of the Veterans' Administration, has cost \$15,000,000,000. That same officer testified that before we shall have discharged our obligations to the veterans of World War No. 1 there will be an additional cost of \$15,000,000,000, making a total of \$30,000,000,000.

In the last war we inducted into service 4,200,000 men. In the present war the men of the air, the men on the ground, the men on the sea, the men under the sea—the men and women everywhere who are a part of our military services—will represent a total inducted of more than 16,000,000, or 4 times as many as there were in World War No. 1.

Before the present war shall have ended the casualties will exceed 4 times the casualties of World War No. 1. That being the situation, and particularly in view of the fact that we propose to furnish better care for the veterans of the present war than we did for those of World War No. 1, the cost of taking care of those who participate in this war and wear the American uniform will be \$120,000,000,000. That will be a part of the cost of this war.

I understand that when the war shall have ended we will have to dispose of approximately \$80,000,000,000 worth of surplus supplies which will be on hand. We will do well if we get back 10 percent of that \$80,000,000,000.

In addition to that, I am told that we are going to be called upon to feed and cloth and support 20,000,000 people in Europe for 2 years after this war is over.

Furthermore, we have made expenditure of billions upon billions of dollars

for lend-lease in order to help our allies in this war, that having been done because of the war emergency. And I hear that one of our allies, Great Britain, is going to call upon us to continue lend-lease after this war is over.

If Great Britain asks that lend-lease be continued to the extent of billions of dollars of the money of the taxpayers of this country after this war is over, I have no doubt that the Congress will vote it, but speaking for myself I shall vote against it, because I think we have arrived at a period in the history of this country when we should at least save one copper for the millions of unemployed whom we will have here.

Our debt is so rapidly spiraling and progressing upward by leaps and bounds that before this war shall have ended—I refer to the European war—we will have placed a burden upon the shoulders and the bent backs of the taxpayers of America to the extent of \$500,000,000,000.

Five years ago when I was voting against lifting the arms embargo, against the repeal of the neutrality laws, against sending our soldiers outside the continental United States before there was a declaration of war, and against lend-lease, I predicted that if we became involved in the war it would cost us \$500,000,000,000. We have already recognized the cost of the war to the extent of voting to increase the ceiling on the national debt to \$267,000,000,000. It will go to \$500,000,000,000. How it will ever be paid and when it will ever be paid is beyond my comprehension and beyond human knowledge.

I have before me a copy of the Washington Evening Star which contains an Associated Press dispatch from London dated August 8. I shall not read it all, but shall ask that the entire article be published in the RECORD. The article is headed:

British wary of issue, but want lease-lend after Nazis are beaten.

In the middle of the article it is stated:

The "mutual aid" program—

That is the program in regard to lend-lease—

should be continued until Japan is defeated.

The British are suggesting and I understand it has been discussed in high circles in this country—I do not know as to that, but it is so rumored—that lend-lease be continued after we lick the Germans. I say that it ought to be discontinued the day we lick them, because, if we were to continue lend-lease to Great Britain after the war is over every other country in the world will come forward and say "Me too! Me too! Me too! We want more of your billions." We are going to pauperize ourselves and we are going to find out that when this whole thing is over that we will not receive a "thank you" or have a friend upon the face of the earth. I now ask that the article to which I have referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH WARY OF ISSUE, BUT WANT LEASE-LEND AFTER NAZIS ARE BEATEN

(By Alex Singleton)

LONDON, August 8.—The British unofficially took the position today that the war-born lease-lend program and reverse lease-lend should continue after the victory over Germany, but privately acknowledged that it was a touchy problem.

The subject was raised by a declaration of the National Association of Manufacturers that administrative discussions were under way on the question of using lease-lend to help support the British domestic economy.

Sources here were cautious in the discussion, but were generally agreed on these points:

1. The "mutual aid" program should be continued until Japan is defeated.

2. Greater emphasis should be given in the United States to the British part in this program.

3. Clarification should be undertaken of the section of the program dealing with final settlements.

FEAR ISSUE IN UNITED STATES

The British caution in the matter is born of a belief that the administration of lease-lend may develop into an issue during the Presidential campaign. British officials have been advised to maintain a hands-off attitude in the election.

The Financial Times said a conference was planned soon, "perhaps this week," to determine the volume of goods to be shipped to the United Kingdom after Germany falls. The publication said there were some indications—not yet disclosed—that at least one phase of the talks might be initiated in London, while discussion of another aspect would be held in Washington.

One of the main factors in the post-war settlement of lease-lend is expected to center around the disposition of American merchant vessels built during the time Britain was concentrating on warship construction.

Mr. REYNOLDS. Mr. President, we are too free with our money—not our money, no; we are not free with our money, but we are too free with the taxpayers' money; we are too free with the money that is earned by the man who produces and pays the taxes to the Government.

By the way, here is an article from the Washington Times-Herald of August 1, 1944, in connection with lend-lease. I stated a moment ago that I prophesied that if Great Britain got lend-lease after the war every other country in the world would want it. Italy is already after it. The Times-Herald article reads:

LEND-LEASE AID MAY BE EXTENDED TO ITALY

The State Department disclosed today that consideration is being given to a proposal for extending lend-lease aid to Italy. The proposal was made by the head of the new Italian Government, Premier Ivanoe Bonomi, who described his country's financial and economic condition as desperate.

Referring to Italy, I want to read from an article in the Washington Star of July 27. It will give the Senate some idea how the Italians themselves are criticizing us for debauching their own people by throwing our money all around. Mr. President, can you imagine that? The article, dated Rome, Italy, July 26, reads in part:

The Allied armies dragged behind them an "elephantine bureaucracy," the Action Party newspaper Italia Libera said today in an

article criticizing both Italians and their liberators.

Criticizing Italians and the Americans who are liberating them!

The article entitled "The Allies in Italy," said there was:

"A futile waste of means and energy * * * a show of infallibility where presumptuous ignorance, ingenuousness and fatuousness are evident * * * contradictions in the acts of authorities whose powers are not precise and are contrasting."

Then the article refers to divisions and jealousies and an excess of beggars who everywhere are holding out their hands for money.

The newspaper said the Allies considered "modern comfort as the supreme good" and sought luxury, good food, and entertainment.

And so forth. I shall not take up the time of the Senate by reading further from the article, but I ask that it be published at this point in the RECORD. It shows how we are throwing our money away.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ITALIAN PARTY PAPER HITS "BUREAUCRACY" OF ALLIED ARMIES

ROME.—The Allied armies drag behind them an "elephantine bureaucracy," the Action Party newspaper Italia Libera said today in an article criticizing both Italians and their liberators.

The article, entitled "The Allies in Italy," said there was:

"A futile waste of means and energy. * * * A show of infallibility where presumptuous ignorance, ingenuousness and fatuousness are evident. * * * Contradictions in the acts of authorities whose powers are not precise and are contrasting."

Turning to the Italians, the newspaper said, "We are forced to note much servility contrasting with often unnecessary pride, a vicious tendency to trickery and imbroglia * * * divisions and jealousies * * * an excess of beggars not always for poverty, but also for ignoble speculation * * * superficiality of judgment and irresponsibility in giving pledges."

The newspaper said the Allies considered "modern comfort as the supreme good" and sought luxury, good food and entertainment. It added that the Allies also sought out parties given by the aristocracy where "German lovers and spies of yesterday are not missing."

Allied armies were declared marked by: "An excess of requisitions often unnecessary, an excess of public drunkenness with minor incidents * * * too much money in the hands of too many people, which results in new grave turmoil in the already tormented unbalance between wages and prices * * * an abuse, fortunately infrequent, of the system which Prime Minister Churchill defines as the 'club and the carrot ends' with regard to the Italian ass."

The newspaper said, however, that never perhaps in the history of war was a people ever treated with greater trust and with greater understanding by authorities and by occupying troops.

"The Allies are waging a war which is to our advantage and they are winning it," it said. "The final result * * * will render very small and unnoticeable the inconveniences of today."

Mr. REYNOLDS. Mr. President, speaking of money, we should begin to save a little. I have before me a news-

paper containing an article under the headline "\$10,000 is a lot of money." The article reads:

TEN THOUSAND DOLLARS IS A LOT OF MONEY
(By Samuel B. Pettengill)

When the war ends the Nation's debt will average \$10,000 per family. It will be twice the total assessed value of all taxable property in the United States.

If you own a home or farm assessed for taxes at \$4,000, the average share of the debt against your property will be \$8,000.

In 1943 we spent as much as in the first 150 years of the life of the Republic.

Since Mr. Roosevelt entered the White House (counting all sums requested by him) we will have obligated the country in an amount equal to all the wealth accumulated on this continent since Columbus found it. This, on the authority of the man who knows, Senator BYRD.

This means that in 12 years we will have incurred debt equal to the savings of 452 years—1492-1944. The debt of my home city of South Bend is \$2,570,000. By July first its share of the Federal debt will be \$151,136,-000.

The present interest rate on the Federal debt is about 2 percent. South Bend's share of the interest alone will be \$3,190,000 annually.

This is \$620,000 more than the total municipal debt.

In interest alone, South Bend will have to pay more each year than its total city debt. ONE THOUSAND FIVE HUNDRED AND ELEVEN DOLLARS AND THIRTY-SIX CENTS PER CAPITA

For less money, it could in 1 year wipe out its entire city debt. And once paid, that is paid forever. But its share of the interest on the Federal debt will have to be paid each year.

Let's look at the debt load as it stands at this time and apply the figures to your home town. The per capita national debt is \$1,-511.36. Multiply your population by this figure and you will have your town's share of the Federal debt on July 1 next.

This brings the debt home.

In 1940 Texarkana had a population of 28,859. Its share of the Federal debt on July 1 next will be \$43,605,949. Its share of the interest charge will be \$920,602 annually.

Your city will tell a similar story. I mention Texarkana because it is the home of Congressman WRIGHT PATMAN who is one of those who thinks nothing of debt when the war is over. The thought of putting any limit on debt and taxes is very obnoxious to him.

As our city fathers in council assembled voted bond issues against our homes of \$50,-000 or \$100,000 at a time, they debated the matter for hours. Mass meetings often remonstrated against further debt and taxes.

But the Federal debt is "different." Why is it different?

FEDERAL DEBT—MORE DANGEROUS

As a matter of fact, Federal debt is far more dangerous than city or county debt. For the Federal debtor issues the money of its creditors, some 50,000,000 bondholders—you are one—whereas cities and counties are forbidden to issue money. Every city and county in America could go bankrupt (as 3,000 of them did since 1932) and the American dollar would still be good. Only the cities' creditors would lose. If the Federal Government, however, should ever falter in its obligations, the value of every investment, life insurance policy, social security card, etc., would melt away like snow.

The war, of course, must be won, regardless of any necessary cost. But I am talking of post-war America, post-war spending, and post-war spenders.

I want to see your War bonds paid with honest dollars, and your insurance policies and social security cards.

What about the spenders? Do they care what happens to you?

People ask me—what can I do? The answer is simple. Put an X in the right square. But first get a good man's name in front of the square.

In conclusion, Mr. President, I respectfully insist that we do any and all things possible for our servicemen and servicewomen who have been fighting courageously throughout the entire world. Furthermore, I respectfully urge that we do everything humanly possible for the men who have fought courageously in the plants and the factories on the home front in order that those on foreign fields might be properly supplied with the implements of defense and offense. I do not think there is anything too good for our soldier men and soldier women, and, as a matter of fact, I believe every Member of this body feels the same as I do about that, because we have voted for just about every request made at any time by the Veterans of Foreign Wars, by the Disabled Veterans of the World War, and by the American Legion. We have voted unanimously with them because we have recognized that they are deserving of all we could do for them, and we want to do everything that is humanly possible today for those who fight on foreign shores. At the same time we want to do everything humanly possible for the men and women who have struggled and who have worked in our factories and in our plants, as I have said, to supply the needs of war, whatever the amount may be, whether it is that involved in the Kilgore-Murray bill, or that covered by the George bill. Let us vote for it, because we have distributed our money all over the world, and given away billions of dollars. No one knows how in the world we are ever going to pay it back, but let us give what little we have left to the people who deserve it; let us give it to Americans for once. For once, let us go all out for America.

Mr. KILGORE obtained the floor.

Mr. WILEY. Mr. President—

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Does the Senator from West Virginia yield to the Senator from Wisconsin?

Mr. KILGORE. I yield.

Mr. WILEY. Mr. President, I share the views of the distinguished junior Senator from Vermont [Mr. AIKEN]. I was called back to Washington when the two bills which have been under discussion were being considered. I have heard practically all the arguments, and I feel that if it were possible, we should have an over-all bill which would take into consideration the possibility of large unemployment in the post-war period, which would look after the interests of employees, of the farmers, and would particularly consider the white-collar worker, who has been the forgotten man in this era of war prosperity.

I realize that we cannot by legislation correct morals or economic ills. I think that is basic. I think we should not assume that this country, which has done so magnificently since Pearl Harbor, could fail to meet the challenge of unemployment. We have been discussing it

as if it would be a reality. I think if we learn to play ball together, if we destroy the influence of those in our society who are constantly creating division, we can meet the challenge of unemployment, and that is what we should be considering.

I remember that about a year and a half ago the problem was put definitely to me that we should be foreseeing the time which seems to be coming in the next few months—cessation of war with Germany—and that we should be considering setting aside a certain portion of our strategic material, as much of it as possible, for use in manufacturing tools, so that when the war with Germany ceased the tools would be available and would enable the industry of America to go into action, united action, and meet the demands which will be made for billions upon billions of dollars' worth of goods and materials of various kinds. There is not a home in this land which does not need a tremendous amount of goods. Our highways are being worn out; our railroads are going to pieces; new transcontinental highways, washing machines, electrical products, and clothing of every kind are needed. The need is present. The point is that when the servicemen are filtered back, as they should be filtered back, they should not be thrown onto the great body politic, without jobs being available for them. I think that is the idea behind the great G. I. bill, that we should see that each individual has an opportunity to fit into the place where he belongs, not be a square peg in a round hole. That is the job that is before us—getting the American economy into action for the peace period.

Mr. President, I hold in my hand a telegram I received a few moments ago which I should like to read into the RECORD. It presents the opinion of the Governor of the State of Wisconsin in relation to certain features of the Kilgore bill, and I think it expresses, by and large, the conviction of the electorate of my State. It reads:

Urgently request your support for bill S. 2051, designed further to strengthen and improve present State unemployment-compensation program in relation to problems incident to reconversion. Correspondingly, we request you completely oppose those provisions of Kilgore bill, S. 2061, that seek to retain State unemployment services for a period following the close of hostilities and also seek in effect completely to federalize present existing State programs of unemployment compensation.

Let me stop reading at that point, Mr. President. I have a campaign on my hands. I have just returned from my State. I have made a 3,400-mile journey and have spoken 135 times in 135 communities. The thing above everything else which concerns the common man on the street, on the farm, and in the village, is whether we here in Washington will use common sense—just plain horse sense. They know that we cannot simply by passing laws, as I have said, correct economic evils. They have seen us during the war period build bureaucracy on bureaucracy to the point where 3,200,000 persons are now employed in government. They have seen that and

they do not understand it. Of course, they are very much concerned about that situation. They do not want any more centralization of power in Washington. They want the States to handle local problems, and the problem we are now discussing—unemployment—is a local problem in every community in America. I think by and large that if the American people were shot through with the incentive to do so, they could create overnight millions of jobs. Every store in the country needs additional help. Every farm needs help. Every little industry needs additional help. They are all crying for help. But in considering the proposed legislation, apparently all we are thinking about is providing an incentive for another "sit-down." That is not what American people want. Mr. President, I wish to say to the Senate that the soldiers in uniform do not want doles—they want jobs. That is our job—to create an America with work and jobs.

Mr. President, I do not charge that the bill before the Senate is a political bill. I make no such charge against anyone. I say, however, that on the basis of letters I have received from servicemen on every front and on every sea, that these boys want jobs. The measure before the Senate does not have that subject in mind at all. There is not any thought about a job connected with it. The point of much of the argument seems to be that the individual in the post-war period will not obtain a job. That is what we are talking about. We are at the wrong end of the line in this endeavor. Our endeavor should be to create jobs. Is America so weak, has America become so synthetic in her way of thinking that she is thinking simply in terms of doles? Are we missing the point?

I wish to continue the reading of the telegram:

We suggest—

This is the acting Governor of my State speaking—

that it be noted from the floor that the Governors in conference at Asheville, N. C., 1942, unanimously resolve against any attempt to Federalize the unemployment compensation system, and again in Hershey, Pa., this May, the Governors in conference unanimously oppose such type of Federalizing legislation as represented by the Kilgore and Murray bill, and likewise unanimously instituted a plan of action for the return of the employment services to the States. This is all a matter of record (George committee) and we believe should be effectively stressed.

Mr. KILGORE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from West Virginia?

Mr. WILEY. I yield.

Mr. KILGORE. Has the Senator from Wisconsin read the clarifying amendment which was inserted in the bill yesterday by the Senator from Montana [Mr. MURRAY], which brings the administration of the bill under exactly the same rules and regulations that govern social security now as administered through the Social Security Board? If the Senator from Wisconsin will read the amendment which was placed in the bill

yesterday I believe he will find it to be an answer to the telegram he has just read.

Mr. WILEY. Has the amendment been printed?

Mr. KILGORE. I do not know whether it has been printed.

Mr. WILEY. That brings up again the very emphatic point made by the junior Senator from Vermont [Mr. AIKEN], that we are called upon to pass upon important matters which we have not had an opportunity to read or to think about. I have been in the Senate for 2 days now, after having come back from my State, listening to the arguments pro and con. I consider it to be a very serious matter that we should be called upon to decide what might be called piecemeal legislation when we should be considering the whole picture. Especially we should be considering the matter of bringing jobs into existence.

Mr. President, in my opinion—and apparently the distinguished Senator from West Virginia who just interrupted me feels the same way—we should preserve intact the States' unemployment system. I believe that one of the virtues of the George bill is that it does not create any more bureaucracy. The Murray-Kilgore bill would set up an over-all system—more bureaucrats in the Federal picture—and we do not know where it would end, or how many tens of thousands more Government employees would be required. I believe also that the George bill does not place a premium on unemployment. It does not seem possible, but we have heard it definitely stated on the floor of the Senate of the United States, that a bill was introduced in the Senate providing that there should be paid to a man who would not work, more money for not working than he would receive if he worked. What are we coming to? Whose idea was that?

Something was said by a recent speaker to the effect that we are willing to pay and pay and pay. Has anyone asked how we are going to pay? Unless we can get the industrial life of America rejuvenated, unless we can get men into action so they will be builders, producers of wealth, how can we pay?

Mr. President, I agree emphatically with the statement which was made by someone that there has been too much emphasis placed on the inability of America to create employment. If those in high places would spend more time creating unity in America and providing incentives for the men of action, the men of invention, the men of ingenuity, so America could be rebuilt, we would have no unemployment.

I think that the Legion's position, as set forth in the telegram read earlier today, that the Kilgore-Murray bill would not solve our problem, is correct. There is no solution in that bill. It contemplates simply another palliative. It contemplates a return to the shot in the arm, the agency remedy we have had over the years. The real remedy lies in getting America into action, inducing her people to adopt the builders' viewpoint so they will work as one team. If the laboring man, the farmer, the small businessman, and the big businessman work

together as a team, jobs will be produced. The world is hungry for our products. Many wrecked cities will have to be rebuilt. The slums everywhere will have to be eradicated. New housing must be provided. All these are demands which are in being. Let us build the spirit of America. Let us show that we in America no longer want to "termite" those who are inherently builders. Then we will find the answer. All that is required is the individual effort of every man and woman in America working as a team, and if that comes about we will rebuild America, and it will blossom like the rose. But if we carry on with the idea that we can rebuild America by paying doles or compensation to those who do not work, no matter how worthy they may be, we will never get America out of the ditch. Our opportunity is up ahead. Our railroads, our highways, our homes, our individual, civic, and national needs all will provide a market if we "play ball" together. I ask that the Senate think of that.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. KILGORE] has the floor.

Mr. HILL. Mr. President, does the Senator desire to continue this afternoon?

Mr. GEORGE. Mr. President, I think we ought to continue for a while. We are losing a great deal of time.

Mr. HILL. The Senator from Kentucky [Mr. BARKLEY] suggested that we might take a recess at this time until 11 o'clock tomorrow.

Mr. GEORGE. I think we might continue until 5 o'clock. I should like to make a little more progress.

Mr. HILL. Is it agreeable to the Senator from West Virginia to proceed for a while?

Mr. KILGORE. I can continue until 5 o'clock if the Senator from Georgia wishes to have me do so.

Mr. GEORGE. Mr. President, I had hoped that we might reach a vote today. That now seems improbable. I think we had better continue until at least 5 o'clock.

Mr. HILL. Mr. President, will the Senator from West Virginia yield to me?

Mr. KILGORE. I yield.

Mr. HILL. I ask unanimous consent to have printed in the body of the RECORD at this point a letter addressed to me by Mr. Martin H. Miller, National Legislative Representative of the Brotherhood of Railroad Trainmen, in behalf of the Murray-Kilgore bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BROTHERHOOD OF RAILROAD TRAINMEN,
Washington, D. C., August 9, 1944.

Hon. LISTER HILL,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Mr. A. F. Whitney, president, Brotherhood of Railroad Trainmen, has requested the undersigned to advise you that the Brotherhood desires your support of the Kilgore-Murray bill, to provide a national program for war mobilization and post-war adjustment.

We are of opinion that S. 2061 should be passed now, as the war is approaching a stage

where at least a portion of it may be terminated in a few months.

Great strides have been made in our productive effort in the war. We cannot afford to let that productive effort falter as we surely move on to victory. We will fall our fighting forces and ourselves if we hesitate to adequately provide a national program for war mobilization and post-war adjustment. The only reasonable adjustment that can be made is to plan for full employment after the war and to adequately provide for those who may be unemployed in the adjustment period.

We strongly urge you to favor the immediate passage of S. 2061 as the means of providing for war mobilization and post-war adjustment.

Sincerely yours,

MARTIN H. MILLER,

National Legislative Representative.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. MURRAY. I ask unanimous consent to have printed in the RECORD at this point a memorandum making a comparison between the Murray-Kilgore amendment and the George amendment.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

COMPARISON BETWEEN MURRAY-KILGORE AMENDMENT AND GEORGE AMENDMENT

MURRAY-KILGORE AMENDMENT

1. The Office of War Mobilization and Adjustment has not only planning and coordinating functions, but also reviewing functions, as exemplified particularly in subsection c (7), on page 5. This subsection requires the director to survey continuously all Government regulations with respect to manpower, production, and materials in order to determine whether any of them hinder full employment, and to direct any Government agency to rescind, modify, or amend such regulations which he so finds.

2. The Division of Programs and Projects, in the Office of War Mobilization and Adjustment, headed by a Deputy Director, is designed to assist the Director in discharging his planning responsibilities.

3. The National Production Employment Board (sec. 103 (a) and (b)) consists of three representatives each of industry, labor, and agriculture, and one public member who is to be chairman.

GEORGE AMENDMENT

1. The Office of War Mobilization and Reconversion has the same planning and coordinating powers as the Office of War Mobilization and Adjustment, but does not have any reviewing power over rules and regulations by other agencies.

2. No division of programs and projects and no deputy director is provided for in the bill and the entire planning responsibility rests upon the Director, who, however, is authorized to employ such deputy directors as he may find necessary to carry out his functions (sec. 101 (d), p. 5, line 5).

3. An Advisory Board (sec. 103) is created consisting of three members each of industry, labor, agriculture, and the public. One of the public members is to be chairman. The Board has only ad-

MURRAY-KILGORE AMENDMENT

It is the general function of the Board to review the programs and activities of the Director and other Government agencies with respect to war mobilization and post-war adjustment, and to make recommendations to the President, the Congress, and the Director as to legislation and policies and procedures deemed necessary by the Board to achieve the objectives of the act.

4. The special Congressional Joint Committee on Post-war Adjustment was eliminated from the draft by the majority of the members of the Military Affairs Committee.

5. The Chairman of the War Production Board has the function of prescribing policies for the integration of resumption of civilian production with curtailments of war production.

6. Title III contains provisions for education, training, and unemployment compensation, and coordinating powers with respect to manpower are given to the Work Administrator.

GEORGE AMENDMENT

visory functions and not reviewing functions and is called upon to make recommendations to the Director, but not to the President and to Congress.

4. The special Congressional Joint Committee on Post-war Adjustment, as proposed in the draft, is preserved in the George proposal (sec. 104).

5. The responsibilities placed on the Chairman of the War Production Board are placed upon the Director.

6. No provisions are contained with respect to education, training, and unemployment compensation except for Federal loan fund and the covering in of Federal employees under State laws. The Work Administrator has the powers which are now held by General Hines under Executive order.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. DOWNEY. I suggest the absence of a quorum.

Mr. HILL. Mr. President, will the Senator withhold that suggestion for a moment?

Mr. DOWNEY. Certainly.

Mr. HILL. I hope the Senator will not insist upon a quorum at this time. I think perhaps the Senator from West Virginia might proceed for a little while, and then we might be ready to take a recess. Does the Senator feel that we must have a quorum now?

Mr. DOWNEY. Mr. President, I will not ask for a quorum if the Senator from West Virginia does not wish to have me do so, but otherwise I should like to press the request. The hour is growing late, and it seems to me that instead of starting a new speech by the Senator from West Virginia, who must be tired and worn out by his efforts in connection with this bill, we might take a recess until tomorrow morning at 11 o'clock.

Mr. GEORGE. Mr. President, I have been very patient about the pending leg-

islation. If there is any reason to be here to formulate reconversion legislation, the Senate ought to be willing to do the job. It is only a little after 4:30 o'clock. Of course, the war will end some time. There are many features and phases of reconversion which ought to be given consideration, but there has been a persistent insistence that we deal with unemployment compensation, and therefore we ought to deal with it in some way, without further delay. Of course, there will be cut-backs. There will be a conclusion to the war, and we should make some provision against that time. I cannot see why we should not proceed even until 6:30 every night, until we shall have concluded consideration of the bill. If the Senator wishes to call for a quorum, that is his right; but if we have a quorum call, I think we should continue until considerably past 5 o'clock.

Mr. WHITE. Mr. President, I completely concur in what the Senator from Georgia has said. We came back here, as we believed, to meet emergent conditions which we thought we saw arising because of success on the battle fronts. We thought the time was at hand for the Congress to legislate with respect to conditions which we anticipate are to follow the cessation of hostilities.

Legislatively speaking, we have been here for almost a week, and have made comparatively little progress. I feel that the point of no quorum should not be made now, although I recognize the Senator's right to make the point. I believe that the Senate ought to continue the consideration of the pending bill. I think we should conclude it at the earliest possible moment. We shall not be able to conclude it within what I believe to be a reasonable time if we are to consume the time of the Senate by quorum calls, and if we are to close our deliberations almost in the middle of the afternoon. I hope we may continue. If there is to be a quorum call, my hope is the same as that of the Senator from Georgia, that we may continue for some time longer today in the consideration of the bill.

Mr. DOWNEY. Mr. President—

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. DOWNEY. Mr. President, will the Senator further yield to me?

Mr. KILGORE. I yield.

Mr. DOWNEY. I agree with the two distinguished Senators that in connection with the consideration of this vital bill, which so greatly affects the future welfare of the American people, we should have full and immediate consideration by the Senate. The distinguished sponsor and author of the bill is about to address us, and only about 25 or 30 Senators are present in the Chamber. If it is proper to proceed at twenty minutes to five, or a quarter to five, it is proper to proceed only if Senators are present to listen and to carry on the business of the Senate. I believe that little is to be gained by addressing important arguments to empty seats. If what Senators desire is to go through the motions of legislating, that is one thing. If we are here conscientiously

and fairly to deliberate, that is another thing, and we should have a quorum call and a full attendance of the Senate.

Mr. President, if the distinguished Senator from West Virginia desires to have me withhold my request for a quorum, and wishes to address the Senators who are now present, I shall, of course, very cheerfully abide by his decision.

Mr. KILGORE. I thank the Senator from California. I make that request; and, as suggested by him, I will go through the motions of addressing empty seats on some matters which I think are pertinent.

Mr. President, the early editions of the Washington Post of today quoted the junior Senator from Nebraska as objecting to one of the experts loaned to the subcommittee of the Military Affairs Committee of the Senate, on the ground that he had received many telephone calls from the Political Action Committee. Evidently the junior Senator from Nebraska has not had the time in the last few months to read the trade papers of the American labor movement in all its phases. Anyone who had read those publications and who had been more fully acquainted with the statements of Senators interested in the pending legislation would have known that the fact that all labor groups have been constantly consulting many Senators and their staffs on this subject matter has been long a matter of public record. The labor organizations themselves have shouted this fact from the housetops. Members of the Senate in official and unofficial statements and comments have made it widely known that all branches of American labor have been constantly discussing this subject with Senators and Members of the House of Representatives and their assistants and staffs. Anyone who had the time to read the hearings on this important legislation and the official publications of all branches of the American labor movement would have known that no subject in years has so commanded the interest and the concern of American labor as has and does this subject.

Anyone who has had the time to read one of the best edited and most informative newspapers in the United States, the weekly newspaper published by the railroad labor unions under the title of Labor would have seen that railroad labor is giving more space, more time, more energy, and more action to this subject than to almost any other subject in years. In issue after issue of that newspaper front-page articles have been published dealing with this subject, disclosing the fact that labor has been in constant touch with Members of the Congress on the subject of this legislation.

Anyone reading the American Federationist, published by the American Federation of Labor, or the press releases issued by the American Federation of Labor would have seen that the American Federation of Labor has felt similarly on this important subject and has acted similarly. That, likewise, is true of the C. I. O. News, the publication issued by the Congress of Industrial Organizations, and of numerous publications of inter-

national unions and their locals affiliated with the railroad labor unions, the American Federation of Labor, and the Congress of Industrial Organizations.

Proper legislation on this subject is so vital to the American workingman and workingwoman that on this matter all branches of organized labor have joined hands from the start. This is one of the few occasions on which they have done so. A reader of the daily newspapers would have observed early in May of this year the fact that a letter had been written to all Senators, signed jointly by William Green, president of the American Federation of Labor; Philip Murray, president of the Congress of Industrial Organizations; and J. G. Luhrs, executive secretary of the Railway Labor Executives Association. The letter was addressed to all Senators, under date of May 1, 1944, and in it Senators were urged to give immediate consideration to and to accomplish the passage of the bill which I, along with other Senators, have had the honor to sponsor.

Why is organized labor so deeply concerned with this subject? Its members know that the workingmen and workingwomen of this country must have jobs, not only for their individual well-being but also for the safeguarding of our economic system. They remember the excesses of inflation and depression which followed the last war. They remember the miseries which fell upon tens of millions of Americans. Is it any wonder that they would be interested in this subject? Is it any wonder that on this subject they would want to petition Congress and its committees and its individual Members? Is it any wonder that they would try to reach Members of Congress and their staffs, to convey all suggestions which seem to them reasonable and proper on the subject of this legislation?

Is there anything discreditable in the fact that any citizen of the United States or any organization of citizens of the United States communicates with a Member of the United States Senate or his staff, as may have been insinuated? I and my staff—and I am sure the same is true of other Senators and their staffs—have received innumerable personal visits and telephone calls on the subject of the pending legislation from representatives of all branches of organized labor in the last few months, just as we have received telegrams from the Governors of States, from State social-security organizations, from manufacturers' associations, and from others. Was any discredit to be attached to that?

The newspaper article appearing today in the early editions of the Washington Post, in the course of which appears the interview with the junior Senator from Nebraska, which, strange to say, does not appear in a later edition, conveys the information, which the Senator from Nebraska also conveys in his interview, that members of the staff of the subcommittee of which I have been serving as chairman had received several telephone calls from representatives of the Congress of Industrial Organizations or of the Con-

gress of Industrial Organizations' Political Action Committee. Let the picture be made complete. As chairman of the subcommittee, I, together with members of the staff of the subcommittee, have received scores and hundreds of telephone calls from representatives of all branches of the American labor movement. Indeed, if I were to estimate from which branch of organized labor the telephone calls and personal visits have been the largest in number, I should be inclined to estimate that the older the labor organization, the more frequently it has been in touch with our subcommittee members and with the staff.

It might be useful for anyone interested in this subject to turn to the hearings of the subcommittee which had the bill before it. There he will find that among the foremost supporters of the legislation, which I had the honor to propose, are William Green, president of the American Federation of Labor, and Matthew Woll, vice president of the American Federation of Labor and chairman of its committee on post-war policy. Anyone who had followed the course of the legislation would have noted that on April 4, Mr. Matthew Woll, vice president of the American Federation of Labor and chairman of its committee on post-war planning, appeared before the subcommittee of the United States Senate Military Affairs Committee and made a notable statement on the urgent need of passing an earlier version of the bill, which I have had the honor to sponsor. The American Federation of Labor and Mr. Woll were, in fact, the first to support the legislation.

I would like to quote from the statement Mr. Woll made on April 4. Mr. Woll, who was the first labor witness before the subcommittee, stated:

Human rights are quite as important as property rights. The workers in this country, whether in the armed forces or on the production line, have as much right to have their interests considered and have their security provided for as have the property owners. It cannot be taken for granted that the provisions for the protection of property owners would automatically mean full employment at adequate wages for workers.

Mr. Woll went on to say that—

Recommendations for reconversion in the Baruch-Hancock report . . . are implemented in S. 1823.

I recall that that fact was disputed earlier today in the debate in the Senate. But I still refer to that report and to the implementation contained in the bill.

Mr. Woll further stated:

We urge that the provisions embodied in S. 1823 be substituted for those in S. 1730.

For the benefit of those Members of the Senate who have not had the opportunity to hear or to read Mr. Woll's illuminating statement, I shall later offer it for inclusion in the RECORD. I know of no statement which so clearly points out the need for this urgent legislation, and I am honored by the whole-hearted support of that great organization, the American Federation of Labor, of the legislation which I have been privileged to assist in introducing. Experts attached to that great organization have been in con-

stant consultation with me and with members of my staff, as well as with other Senators and their staffs, in an attempt to perfect this legislation. Again I say, where is the crime in having any group of persons insist on seeing their legally elected representatives or their staffs, and consulting with them on legislation which affects them?

A large portion of the burden in this struggle—

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. KILGORE. Not until I have finished what I am about to say. Then I will yield for a question.

A large portion of the burden in this struggle for proper legislation during reconversion has been carried by the railroad labor unions. Experts who have worked with these unions for years have submitted their views and their suggestions to those of us who have worked on this legislation and to our staffs. As a matter of fact, the staff of the Railway Retirement Board drafted and redrafted and worked out title III of the bill. I believe it is accurate to say that of all the specific concrete suggestions on the subject of this legislation made by any of the labor unions and deemed by our subcommittee fitting for inclusion in the bill, a larger portion consists of proposals and suggestions made by the railroad labor unions and experts who have worked with them than by any of the other labor organizations or persons associated with them. When it comes to the general outlines of the bill submitted by our subcommittee, I should say that insofar as the proposals of any of the labor organizations were deemed sound by this subcommittee and its members, the general outlines proposed by the American Federation of Labor played a larger part in the bill finally drafted than did the suggestions of any other labor organizations.

In this connection I should like to call the attention of Senators to the statement of Matthew Woll, vice president of the American Federation of Labor, made on April 4 before the Subcommittee on War Contracts of the Senate Military Affairs Committee. Mr. Woll then stated:

The Kilgore bill—

He was speaking of the so-called Murray-Kilgore bill—

does implement that policy (of insuring the fullest possible employment in private industry), as well as the policy of providing adequate safeguards to industry. There are minor changes which might be made in the bill to clarify or improve some of the provisions. But the general policies closely resemble those which the executive council of the American Federation of Labor unanimously endorsed in January of this year.

This was publicly stated by Mr. Woll and is available to everyone in his testimony before the subcommittee—part 10, April 4, 1944, pages 785 to 786.

I now yield to the Senator from Nebraska [Mr. WHERRY] for a question.

Mr. WHERRY. Mr. President, I should like to ask the Senator from West Virginia if he is attempting to defend himself in the statement which he made by shifting it over onto my shoulders?

Mr. KILGORE. No; I am not at-

tempting to defend myself. I am merely making the Senator from Nebraska aware of the facts, and asking him if he was making an implication of any kind in the purported interview he had concerning those facts.

Mr. WHERRY. You are drawing your own conclusions outside the facts. If you will examine the CONGRESSIONAL RECORD you will see that I made no such charge on the floor of the Senate yesterday, and if you will examine a copy of the Washington Post, the only newspaper which I saw, you will find that there is no statement in it except the statement of the senior Senator from West Virginia. It indicates that you stated that there had been many telephone calls between the one who was present in the Senate yesterday, a Mr. Schimmel, and the Political Action Committee. Mr. Schimmel approached the Presiding Officer and spoke to him. He is a member of your staff. Your statement that he was associated with a Mr. Hobbs and a Mr. Webber, formerly of O. P. A., and now associated with the Political Action Committee, clearly indicts Mr. Schimmel as having a very close contact with the Political Action Committee, and especially his former associates on that committee. Furthermore, the statement made by Mr. Schimmel in the presence of the senior Senator from West Virginia sets out that he drew the bill—that he was the master mind.

Mr. KILGORE. Just a minute.

Mr. WHERRY. That information was in the statement which I read, which had been given out by the distinguished Senator from West Virginia, and I made no such charge at all. Yesterday I merely raised the point of order that no one who is not a Member of the Senate—I do not care who he is or where he comes from—has the right to approach and speak to the Presiding Officer. If the Senator from West Virginia wishes to draw an inference today and indict himself by statements he made to the press connecting him with the C. I. O. and the Political Action Committee of the C. I. O., he should not put the responsibility upon my shoulders. I did not make the charge against him. The Senator has made it against himself.

Mr. KILGORE. If the Senator from Nebraska has concluded, I should like to ask him whether or not the quotations contained in the first and second editions of the Washington Post represented a correct statement of what the Senator from Nebraska said, or if the newspaper made a mistake. If the newspaper made a mistake I will withdraw anything I said with reference to the subject.

Mr. WHERRY. I will stand by any statement which I gave to the press. I did not sit up last night to see what I had said or what you had said. The statement which I made I now make on the floor of the Senate—

The PRESIDING OFFICER (Mr. JACKSON in the chair). Is the Senator from Nebraska addressing the Chair?

Mr. WHERRY. I have been addressing the Chair and also answering the questions of the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Chair believes that if the Senator from Nebraska would address the Chair we would get along better.

Mr. KILGORE. I asked the Senator if he had read the earlier edition of the Washington Post, and if he had made the statement which was therein quoted.

Mr. WHERRY. Mr. President, when I used the word "you" in my discussion with the Senator from West Virginia I meant the distinguished Senator from West Virginia. Hereafter I will address my remarks to the Presiding Officer.

I wish to say in conclusion that the question which was asked—

Mr. KILGORE. Mr. President, I yielded for a question, and not for a speech.

Mr. WHERRY. Does the Senator from West Virginia refuse to yield to me any further?

Mr. KILGORE. The Senator from Nebraska may make a speech later if he desires to do so.

Mr. WHERRY. Very well. I should like to call the attention of the Presiding Officer to the fact that there is no opportunity to answer a question when the Senator holding the floor will not yield.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. KILGORE. Mr. President, during the past 2 days this Chamber has resounded with outbursts of Senators claiming that \$35 a week for interim placement benefits for an unemployed worker with a wife and two or more children was extravagance. Contrary to the plan, it has been represented that \$35 a week would be paid to everyone regardless of his dependents or his condition and success in life. At least, that would be the natural inference to be drawn by a person with good hearing. I personally have only one good ear, and I could hear only portions of the statement. As the language of the bill clearly states, \$35 would not be paid except to a worker who had received an average of at least \$38 a week during his base period, and, in addition, had to support at least three dependents. The effect of those qualifications alone, on the basis of earnings of workers during the base years, would, according to statistics of the Bureau of Labor Statistics, exclude 50 percent of the beneficiaries from receiving the maximum benefit on account of earnings. According to the Bureau of Labor Statistics, only one-fourth of the 50 percent would meet dependency qualifications. The effect of the provision would be to limit the maximum benefit to about one out of every eight workers. Yet, in spite of those limitations, the bill has been grossly misrepresented. We have seen dire pictures painted of the alleged effects of the payment of \$35 a week for the maintenance of a family of four. We have heard that it would break the economic back of this Nation and convert it into a Nation of idlers.

Mr. President, what does \$35 a week mean in terms of things necessary in order to sustain life? Exhaustive studies by the Department of Labor enable us to answer the question in very great detail. For the detailed study I respect-

fully refer to the report on that subject. But allow me to present a few items for the benefit of the Senate.

In 1935 the Bureau of Labor Statistics supervised an exhaustive study into the minimum cost of maintaining a family of four persons. It required \$1,260 a year on a minimum basis at that time. Making allowances for increase in prices which have taken place since that time, approximately \$1,700 a year would now be required. Other increases, not measured by price changes but admitted by the Bureau of Labor Statistics, would appreciably increase the cost of living, bringing the cost of the family budget up to more than \$1,800 a year, which is the amount that \$35 a week would provide.

Let us look into the standards of living provided by \$35 a week, as shown by this study made by the Bureau of Labor Statistics.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. KILGORE. I yield.

Mr. FERGUSON. I wonder whether the distinguished Senator has considered the provisions of the State laws. Let me read the provision of the Michigan statute:

An individual shall be disqualified for benefits—

(a) For any week with respect to which or a part of which he has received or is seeking unemployment benefits under an unemployment compensation law of another State or of the United States.

In other words, as I read the provision—and I understand it is a standard provision in compensation laws—if we should now pass the George bill with the amendment which has been proposed, we would find that every State law would prohibit any of the State money being paid out to the unemployed. In other words, the Federal Government would be furnishing all the money for unemployment benefits. Has the Senator considered that provision?

Mr. KILGORE. Yes. The provision is that what is paid under the State unemployment compensation provisions of each particular State shall be charged up against the amount to be paid the worker.

Mr. FERGUSON. That is not the way the law reads. The law reads that if one makes application, or receives any compensation under any other unemployment act or the law of any other State or of the United States, he is disqualified from getting any compensation from the State of Michigan, or wherever the law is applicable; and this is a universal provision of law.

Mr. KILGORE. I think the Senator well realizes the ruling of the court in cases of that kind. I think a study of the proposal will demonstrate that that matter has been taken into consideration. The section to which the Senator refers is the same as that provided in every State law. For instance, in the State of Michigan a man could not draw compensation from the State of Pennsylvania and the State of Michigan simultaneously, nor could he draw as a

member of the railway retirement fund from that fund and from the State of Michigan simultaneously. It would be contrary to public policy. The Senator is also aware of the fact that under a contractual relationship existing between practically all the States and the Railway Retirement Board, in connection with which this statute was studied, that very *modus operandi* is followed with reference to the railway retirement fund and social security benefits. In other words, railway retirement funds are paid in the Senator's own State by his own Michigan board. In other words, the benefit under this bill is cumulative benefit, not an alternative benefit.

Mr. FERGUSON. If the Senator will yield for another question, let me say that I do not find such wording in the bill. I wonder how an unemployment insurance commissioner could actually make any payment from the State fund when the provision reads, "An individual shall be disqualified for benefits." Would it not be necessary, under this provision, that each State legislature hold a session and repeal or alter that section so as to permit payments?

Mr. KILGORE. That is not the view that has been taken by the Social Security experts who have studied the bill. They hold that this is a cumulative payment, augmented by the Federal Government, over and above the State payments, that the State can proceed and pay, and the Federal Government augments the payment.

Mr. HATCH. Mr. President, I should like to ask the Senator from Michigan a question about the State law. Would the same rule he has just read apply to the civilian employees of the Federal Government provided for in the George bill?

Mr. FERGUSON. They would never receive any compensation from the State of Michigan. They would receive it wholly from the Federal Government.

Mr. HATCH. As I understand the law of Michigan, if either of the proposed provisions were enacted, then the State of Michigan would not pay any unemployment compensation whatever.

Mr. FERGUSON. I would not answer the question in that way. The George bill does not provide for any payment by the Federal Government except to Federal employees, and they would never be entitled to compensation under the Michigan law. I am merely wondering about this provision. I wondered how it would be construed.

Mr. TOBEY. Will the Senator from West Virginia yield to me?

Mr. KILGORE. I yield.

Mr. TOBEY. Apropos of what my distinguished colleague from Michigan has said, I should like to have inserted in the RECORD at this point a telegram I have received from Richard S. Rolfe, executive director of the Unemployment Compensation Division of New Hampshire.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CONCORD, N. H., August 10, 1944.

HON. CHARLES W. TOBEY,

United States Senator:

New Hampshire Unemployment Compensation Division law reads: "An individual shall be disqualified for benefits: (f) For any week or part of a week with respect to which he is seeking to receive or has received payments in the form of unemployment compensation under an unemployment-compensation law of any other State or under a similar law of the Federal Government." Commissioner is authorized to revise law so that provisions will conform with minimum standards for all States set up by Congress but section quoted above prevents payment of benefits concurrently with Federal benefits.

RICHARD S. ROLFE,

Executive Director, New Hampshire Unemployment Compensation Division.

Mr. TAFT. Mr. President, will the Senator from West Virginia yield for a question?

Mr. KILGORE. I yield for a question.

Mr. TAFT. Am I to understand that if a man or woman worked for 3 months, we will say, at \$50 a month, and the only work that man or woman did during the entire war was that 3 months' work for \$150, such a person would be qualified to receive unemployment compensation for the rest of the period provided in the bill?

Mr. KILGORE. Of course, under those circumstances, I hardly know what they would have existed on during the 2 years and 9 months they had no other earnings.

Mr. TAFT. It might well be that a man's daughter lived at home and did not work, but would go to work for 3 months, and the only work the daughter did, we will say, during the entire war was 3 months' work, or perhaps only 2 months' work, for which she received \$150. As I read the bill, under its provisions, for the next 3 years she might receive for every quarter 75 percent of \$150, if the whole \$150 were earned in one quarter, or approximately \$115 every quarter, or \$460 every year.

Mr. KILGORE. I do not understand those figures. Where does the Senator get the \$115?

Mr. TAFT. That is about 75 percent of \$150. Let us say she earns \$150 in one quarter, and that was all the work she did during the entire war, yet, as I read the bill, she would be entitled to 75 percent of that for each quarter during the whole period provided in the bill, and would receive about \$460 a year for 3 years.

Mr. KILGORE. Provided she registers for employment and holds herself ready to take employment, at all times holding herself ready to accept a job.

Mr. TOBEY. If it is suitable.

Mr. TAFT. Yes; if it is suitable, and subject to a great many different conditions and since ex-servicemen will have priority, probably there will not be a job she will have to take. So, having done \$150 worth of work during the war, as I understand, she will receive about \$460 a year for 3 years.

Mr. KILGORE. That is the same system that applies under social security in every State in the Union.

Mr. TAFT. No social-security system I know of provides for payment for more than 26 weeks.

Mr. KILGORE. No. Such inequalities arise in every system.

Mr. BARKLEY. Mr. President, the Senate has been in session since 11 o'clock this morning, and I wonder whether the Senator is ready to suspend at this time.

Mr. KILGORE. I am willing to suspend.

Mr. O'MAHONEY. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I should be glad to yield to the Senator if I had the floor. The Senator from West Virginia has the floor.

Mr. KILGORE. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I desire to insert in the RECORD at this point a letter which I have received from the Acting Commissioner of Labor Statistics, Dr. A. F. Hinrichs, in response to a question which I addressed to the Bureau of Labor Statistics over the telephone with respect to the labor force in the United States at the present time. I knew that there is a large excess of workmen, and I wanted to ascertain exactly what the Bureau of Labor Statistics estimated this excess to be. I find that, according to the best judgment of the Bureau, the total excess labor force in the United States at the present time is 6,700,000; that is to say, there are 6,700,000 more persons employed than would normally be employed. This letter breaks down the excess labor force between men and women, boys and girls between the ages of 14 and 19, young men and women between the ages of 20 and 24, women between the ages of 35 and 64, and so forth. It is a very interesting letter, and I believe that Members of the Senate would be very glad to have the opportunity of examining it. Therefore, I ask that it, together with an attached table, may be printed in the body of the RECORD as a part of my remarks.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, August 9, 1944.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: In reply to your verbal request to Mr. Tolles, I am glad to confirm the estimates given to your office over the telephone on the subject of excess labor force.

Information released by the Bureau of the Census would lead us to expect that about 56,000,000 persons would be available for employment in the United States at this time. The actual number of persons at work, or available for work, in April 1944, exceeded this figure by about 6,700,000. Thus, we can say that the excess labor force, above normal, is 6,700,000. For this purpose, the labor force includes all persons in the armed forces.

About 3,700,000 of the additional workers, above normal, were men, and 3,000,000 were women. The important groups of workers added to the labor force, above normal expectation, are as follows:

Sex and age group	Number above normal, April 1944	Consisting primarily of persons who would be or are—
Total.....	6,700,000	Nonworkers.
Boys and girls, 14-19.....	2,800,000	School and college students.
Young men and women, 20-24.....	900,000	College students and service wives.
Women, 35-64.....	1,500,000	Married women with no young children.
Men, 25-54.....	700,000	Marginal workers.
Men, 55 and over.....	800,000	Retired.

For your further information, I am attaching a table which gives further detail on this subject. This table shows for each sex and age group the number of persons drawn into the labor market in excess of normal, the percentage of excess over normal, and the percentage of each group which we would normally expect to find in the labor force as well as the percentage which actually appeared in the labor force in April 1944.

I trust that this information will be helpful to you and hope that the Bureau of Labor Statistics can be of further service.

Sincerely yours,

A. F. HINRICHS,
Acting Commissioner of Labor Statistics.

Estimated excess of labor forces over normal and labor force participation, by age and sex, April 1944

[In thousands]

Age and sex	Excess of actual over normal		Percent of total group in labor force	
	Number	Percent	Normal	Actual, April 1944
Total, 14 years and over.....	6,700	11.9	53.1	59.5
Male, 14 years and over.....	3,700	8.8	79.3	86.4
14-19.....	1,690	68.7	34.4	57.9
14-15.....	380	211.1	7.6	24.0
16-17.....	710	110.9	26.6	56.3
18-19.....	600	36.6	67.3	91.5
20-24.....	510	9.5	88.5	97.2
25-34.....	200	1.9	95.7	97.8
35-44.....	210	2.3	95.0	97.2
45-54.....	280	3.7	91.7	95.2
55-64.....	390	7.8	83.3	89.9
65 and over.....	420	22.3	39.6	48.5
Female, 14 years and over.....	3,000	20.9	27.1	32.8
14-19.....	1,070	85.6	17.9	33.2
14-15.....	160	320.0	2.0	9.3
16-17.....	480	218.2	9.5	30.0
18-19.....	430	43.9	40.7	58.6
20-24.....	420	14.7	46.9	53.8
25-34.....	10	2	36.0	36.1
35-44.....	630	21.2	30.6	37.2
45-54.....	560	29.0	24.0	31.0
55-64.....	280	28.3	17.3	22.0
65 and over.....	30	10.3	5.6	6.3

RECESS

Mr. BARKLEY. Mr. President, I wish to express the hope that we may obtain a vote on this measure tomorrow, and to that end I am going to move a recess until 11 o'clock a. m. tomorrow. I hope that, when the Senate reassemble tomorrow, we may be able to agree on a limitation of debate on the bill and all amendments thereto. I will not make such a request at this time because of the absence of a number of Members of the Senate, but I hope that Senators will have that in view, when we reassemble tomorrow.

I now move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 12 minutes p. m.) the Senate took a recess until tomorrow, Friday, August 11, 1944, at 11 o'clock a. m.

House of Representatives

THURSDAY, AUGUST 10, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who art man's unfailing friend, we know that Thy fatherly heart always opens with love in response to all our needs. We are coming unto Thee, compelled not only by our necessities but constrained by that great love, and encouraged by every gracious invitation in Thy holy word.

We pray that the blessings of wisdom and understanding may rest upon these Thy servants whom Thou hast called to positions of leadership in the life of our Republic during these difficult and perilous days.

Grant that Thy presence and power may be given unto all who are now sacrificing their very lives for the principles of freedom and peace. May our beloved country ever be kept in the vanguard of those who are seeking to establish the kingdom of righteousness upon earth.

To Thy name we ascribe all the praise. Amen.

THE JOURNAL

The Journal of the proceedings of Monday, August 7, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Vice President has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

Department of Agriculture.
Department of Justice.
Department of the Navy.
Department of War.
Administrative Office of the United States Courts.

Federal Security Agency.
Reconstruction Finance Corporation.
Selective Service System.

PERMISSION TO ADDRESS THE HOUSE

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to address the House.
The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. GRAHAM]?

There was no objection.

THE LATE BENJAMIN JARRETT

Mr. GRAHAM. Mr. Speaker, it becomes my sad duty to announce to the House the death of a former colleague, Benjamin Jarrett, born July 18, 1881, in

Sharon, Pa., died July 20, 1944, in Zanesville, Ohio. His death was preceded by a long illness and a stroke which occurred about 1 week prior thereto.

Mr. Jarrett served in the Seventy-fifth, Seventy-sixth, and Seventy-seventh Congresses and was not a candidate for reelection to the Seventy-eighth Congress. While a Member of the House, he served on the committees of Flood Control, Merchant Marine and Fisheries, and Ways and Means. His district was the then Twentieth District of Pennsylvania.

Prior to entering Congress, Mr. Jarrett had served as a member of the Pennsylvania State Senate from 1911 to 1913, and as a member of the Workmen's Compensation Board of Pennsylvania from 1919 to 1923.

Our former colleague chose the profession of the law as the course in which he could best serve, and at various periods he had served as solicitor for the boroughs of Farrell, Wheatland, and West Middlesex, and had also served as Burgess of Wheatland for one term.

Born of humble Welsh parentage he early resolved to educate himself, and after several years in the Wheatland schools he became a telegraph operator for the Pennsylvania Railroad. Later he was employed by the Carnegie Steel Co. as a labor foreman. It was during this period that he decided to study law and began its study in his home at night. He was admitted to the bar in 1907 and immediately began the practice of his profession in Farrell. For 33 years he was a member of the firm of Armstrong & Jarrett. Mr. Jarrett was an able, conscientious lawyer. It was my privilege to try cases on the opposite side of the table from him and I can vouch for his honesty, integrity, and legal skill.

He leaves to survive him, his widow, Mrs. Agnes B. Jarrett; a son, Attorney Fred J. Jarrett; a daughter, Mrs. Dorothy Bentz; and two sisters, Miss Mary Jarrett and Mrs. Elizabeth J. Broad.

He was buried Sunday, July 23, in Oakwood Cemetery, Sharon, Pa.

An editorial appearing in the Sharon Herald of Friday July 21, 1944, epitomizes his life and the feeling of his friends toward him. This editorial is as follows:

ATTORNEY BENJAMIN JARRETT

His hundreds of friends in the Shenango Valley and throughout western Pennsylvania, as well as many others who served with him in the State and National Capitols, mourn the death of Attorney Benjamin Jarrett, former Congressman and one of this district's most distinguished citizens.

From the time of his boyhood in the neighboring borough of Wheatland, which elected him Burgess, to the close of his 6 years' service in Congress, Ben Jarrett was admired and respected for his ability and enterprise in the several fields of endeavor in which he served. He was a good railroad telegrapher and steel mill labor foreman before he became

an attorney, but it was as a young lawyer in Farrell that he first won wide fame and the confidence of fellow citizens who later sent him to represent them in the legislative halls at Harrisburg and Washington. And while he was serving as State senator, Congressman, member of the State workmen's compensation board, and in various other positions to which he was elected or appointed, Ben was always outstandingly loyal to the folks at home. Their interests were his first concern and nothing they requested was ever too trivial to merit his attention. Yet he mixed statesmanship with friendship, with the result that his record as a public servant surpassed the records of many of his more wordy contemporaries.

And somehow we also like to remember Attorney Jarrett for other things—his loyalty to the Republican Party, his ability as an orator, his frequent professional aid to persons who could not afford to hire a lawyer, and numerous other acts of generosity, his words of encouragement to younger people, his love of the outdoors, and his devotion to his family.

Those among us who knew Ben Jarrett best will miss him most.

Mr. Speaker, in conclusion may I cite this little poem:

In the little fields where the gallant sleep,
And a rendezvous with the springtime keep,
There is no sorrow, or want, or fret,
Worries or care and no regret,
For it is pleasant to live in a house of sod,
And sing with the angels and talk with God.

EXTENSION OF REMARKS

Mr. ANTON J. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio speech delivered by my colleague the gentleman from Illinois, Hon. EVERETT M. DIRKSEN, over N. B. C. on June 20, 1944, entitled "A Year of Decision."

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. ANTON J. JOHNSON]?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. KELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein a poem by James Patrick McGovern.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. KELLEY]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in reference to certain suggestions as to military procedure after the shooting is over, and I also ask unanimous consent to insert in the RECORD an editorial and statement by the editor of the Evening Standard of Uniontown, Pa.



DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued August 12, 1944, for actions of Friday, August 11, 1944)

(For staff of the Department only)

CONTENTS

Adjournment.....	3	Labor.....	1	Public works.....	1
Banking and currency.....	6	Personnel.....	1	Social security.....	1
Demobilization.....	1	Post-war planning.....	1	Treaties.....	5
Flood control.....	4	Property management....	1,2	Water utilization.....	4

SENATE

PERSONNEL; UNEMPLOYMENT COMPENSATION. Passed with amendments S. 12051, to amend the Social Security Act and to provide a national program for war mobilization and post-war adjustments (pp. 6946-95). Agreed to the Murray-Kilgore amendment, as modified, after agreeing, 49-25, to Sen. George's (Ga.) amendment, as modified (pp. 6946-79). As passed, the bill sets forth objectives (1) to facilitate war production and transition to peace; (2) to achieve full employment, increased standards of living, and utilization of the Nation's resources; and (3) to provide for the development of plans and machinery for the above. Establishes the Office of War Mobilization and Reconversion within which shall be placed the Office of Contract Settlement, Surplus War Property Administration, ^{and} Retraining and Reemployment Administration. The OWMR Director is directed to formulate plans to meet transition period problems; to issue necessary directives to other Government agencies with respect to their powers and functions under this Act; recommend appropriate legislation; promote and assist in the development of demobilization and reconversion plans by other executive agencies; study and make recommendations with respect to the elimination or consolidation of war agencies; study functions of the various executive agencies in the field of manpower; consult with State and local governments, industry, labor, agriculture, and other groups concerning methods of achieving this Act's objectives, and submit to Congress reports on the activities under this Act and include summaries and appraisals of the activities of the various executive agencies in demobilization and post-war adjustment. Establishes an advisory board and a Special Joint Committee on Post-War Adjustment. Provides for industrial demobilization and reconversion and establishes procedures therefor. Establishes a Retraining and Reemployment Administration to have supervision of the activities of all Government agencies relating to the retraining and reemployment of persons released from war work. Provides for advances to State unemployment funds, ~~and~~ for a Federal unemployment fund, and for unemployment compensation for Federal employees who have rendered service after Sept. 16, 1940. Authorizes the Administrators of the National Housing Agency and the Federal Works Agency to develop programs suitable for public works projects. Liquidates the Office of War Mobilization when the Director of War, Mobilization and Reconversion takes office. Directs the Secretary of Labor to study and make recommendations concerning wage systems.

PROPERTY DISPOSITION. Sen. Reynolds, N.C., announced that the Military Affairs Committee would meet on Tues., Aug. 15, to receive the subcommittee's report on

S. 2045 and S. 2065, relating to the disposition of surplus war property (p. 6995). Replying to Majority Leader Barkley's inquiry as to when the bills will be reported to the Senate, Sens. Johnson, Colo., and Reynolds, N. C., stated that the bills would probably not be ready to be reported until Aug. 21 (p. 6996). Sen. Mead, N. Y., announced that beginning Aug. 17, the Special Committee to Investigate the National Defense Program would hold hearings on surplus property disposition and stated that the committee is anxious for the expeditious disposal of surplus machine tools and plants (pp. 6996-7).

3..ADJOURNED until Tues., Aug. 15, 1944 (pp. 6997-8).

HOUSE

NOT IN SESSION. Next meeting Aug. 14, 1944.

ITEMS IN APPENDIX

4. FLOOD CONTROL; WATER UTILIZATION. Sen. Butler, Nebr., inserted Brig. Gen. Tyler's address before the National Rivers and Harbor's Congress reviewing the history of the development of the Mississippi River (pp. A3871-3).
5. PEACE TREATIES. Sen. Pepper, Fla., inserted his article, "Peace Despite the Filibusters" in which he argues the case for the use of an executive agreement instead of a treaty (pp. A3877-8).
6. BANKING AND CURRENCY. Sen. Scrugham, Nev., inserted his statement and a letter signed by 26 Senators addressed to the President criticizing the Bretton Woods Monetary Agreement (p. A3878).

- 0 -

For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 112 Adm. Building. Arrangements may be made to be kept advised of developments on any particular bill.

- 0 -

Works Administrator is authorized and directed, as promptly as may be upon the termination of the war—

(1) To acquire, by purchase, condemnation, or otherwise, the site selected by the board of trustees for the hospital center, together with such real property as may be situated thereon.

(2) To provide buildings (either by new construction, or alteration and renovation of existing structures), additional improvements and appurtenances, and such equipment and machinery as may be necessary for the proper operation and maintenance of such hospital center.

(3) Upon completion of such hospital center, to convey, on behalf of the United States, all right, title, and interest therein to the Corporation.

(c) All plans, designs, and specifications for buildings and equipment for such hospital center, and for improvements upon its site, shall be subject to the approval of the board of trustees of the Corporation.

Sec. 4. When the hospital center has been conveyed to the Corporation, it shall be maintained and operated by the participating hospitals under the supervision and control of the Corporation. Each of the participating hospitals shall be entitled to the exclusive use of such part or parts of the hospital center as may be determined by agreement between such hospital and the Corporation, for the purpose of conducting its operations as a hospital within such part or parts of the hospital center. The participating hospitals jointly, under the supervision and control of the Corporation, shall maintain and operate within the hospital center such central heating, laundry, and other facilities and services necessary to the proper and efficient operation and maintenance of such center as the participating hospitals and the Corporation agree may best be operated or performed by such hospitals jointly. The cost of maintaining such joint facilities and services shall be paid by the participating hospitals in such manner and proportion as the Corporation determines to be appropriate and equitable.

Sec. 5. (a) The Corporation may, in its discretion, enter into agreements with any voluntary hospital in the District of Columbia rendering service for indigent or semi-indigent patients and may allocate to such hospital, from appropriations made pursuant to section 6, such sums as may be available upon completion of the hospital center, for the replacement, enlargement, renovation, or modernization of any part of such hospital's buildings as said Corporation may determine to be in the public interest, having in view the most economical and effective use of available funds for hospitalization and to the end that the facilities of such hospital may be utilized to the best advantage. Such sums so allocated for affiliating hospitals shall be paid to such hospitals by the Secretary of the Treasury upon certification by the Corporation, and shall be paid at such time or times as may be specified in such certificate: *Provided*, That before entering into any such agreement, the Corporation shall be satisfied that such hospital is prepared to undertake such responsibilities of management and maintenance as may be necessary to conduct its operations as an affiliate of the hospital center. Such affiliation shall obligate such hospital to coordinate its facilities with the hospital center in such manner and subject to such conditions as may be determined by the Corporation in the public interest.

(b) The board of trustees of the Corporation shall have power, in its discretion, to increase its membership for the purpose of giving appropriate representation to the constituent hospitals.

Sec. 6. There are hereby authorized to be appropriated such sums, not to exceed \$-----,

as may be necessary to carry out the provisions of this act.

Sec. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

The explanatory statement presented by Mr. TYDINGS is as follows:

I have introduced together with Senator BILBO in the Senate, and Representatives RANDOLPH and D'ALESSANDRO have introduced in the House, a bill designed to give to Washington a modern, adequate, and efficient hospital center.

The Federal Government would provide the funds to build the center which thereafter would be maintained and operated from hospital revenues, income from endowments, and contributions by individuals and civic organizations without further charge on the Federal Government for operating funds.

For the past 6 months a group of public-spirited citizens have been conducting surveys, exchanging views, and attempting to formulate the plan best calculated to achieve ample, economically operated, and modern hospital facilities for the District.

The bill introduced is the result of the conferences and studies. The existing voluntary hospitals of Washington are in many respects obsolete; the buildings are antiquated, nonfireproof, and badly planned. One-half of the present patients are in buildings with very serious fire hazards. No considerable additions have been made to Washington hospital facilities for many years. In some cases hospital buildings are situated so as to prohibit expansion except at prohibitive cost.

In 1941 it was estimated there was a 2,000 hospital-bed shortage. Since then the population has grown markedly, and to accommodate the increased population 700 extra beds have been set up in rooms and wards which were already pitifully crowded and congested.

To speak frankly, if we tolerate further the deplorable hospital conditions, the overcrowding and the lack of modern facilities in the Nation's capital it would be a disgrace. More than that, it might lead to a serious epidemic unless corrective measures are taken.

Here are the figures: Since 1920 the population of Washington has increased 130 percent; the number of hospital beds has increased during that period but 58 percent. So while the population has more than doubled, the number of beds has increased only one-half. Thus, we have in the present hospitals about $3\frac{1}{2}$ beds per 1,000 of population. Health standards require that we have 5 beds per 1,000 persons. We have a bed shortage of 2,100 beds at the present time, and of the beds already available, about 1,000 are the result of overcrowding.

Obviously the time has come to relieve this intolerable condition. Dozens of studies have been made as to how, without losing what we have, we can secure what we should and must obtain. The best thought seems to be that a hospital center into which our larger existing hospitals would be merged be established. With this hospital center, other hospitals throughout the District could be affiliated, always on a voluntary basis. Such a hospital center would itself contain not more than 1,500 beds with complete facilities for diagnosis and treatment in all the specialties. It would have to contain ample administrative units and have facilities used to accomplish major operating economies, such as power plant, laundry, store rooms, purchasing department, diagnostic laboratories, X-ray facilities, physiotherapy, operating and delivery quarters, etc. This set-up would make it possible for each of the District hospitals to care for its own clientele and yet take advantage of major economies to be effected by proposed consolidation and coordination.

The bill anticipates that the participating hospitals would maintain their corporate identities so as to safeguard their endowments and other resources, tradition and goodwill. The over-all management would have to be vested in some joint administrative Board.

The trustees of Emergency and Garfield Hospitals, two of our largest, have already signified their willingness to undertake the responsibility of operating the center, pooling their resources and experiences so as to build best on what we already have.

Of course, the ideal would be to construct such a center where it could serve easiest and best the great population of this city. The ideal site would require about 20 acres and ought to be convenient to transportation facilities and the like. The selection of the site should have the approval of the National Park and Planning Commission so as to tie in with the city's civic growth. The National Park and Planning Commission have made a survey and have recommended for further study about 12 sites in the District where acreage is available.

The bill that has been introduced seeks to point up all these matters so that they may be further considered by the appropriate committees of Congress. Obviously the bill is not the last word, but is the basis for study and the foundation for action.

Senator BILBO, the chairman of the District Committee of the Senate, has appointed the following Senators as a subcommittee on Washington hospitals: TYDINGS, chairman, REYNOLDS, BILBO, CAPPER, and BURTON.

As chairman of this subcommittee, it is my purpose to call the subcommittee together promptly and to call on leading witnesses for comment on the bill. Some 10 or 12 persons greatly interested in and familiar with hospital conditions in the District, I am advised, will testify in general support of the plan. When the hearings are closed, it is my hope to report the bill promptly and to endeavor to get it passed through the Congress.

The bill should carry the condition that work be begun as soon as the war is over.

For many years there has been constant reiteration of the need for modern, ample and economical hospitals in Washington. It is my hope that we may at last have really commenced to actually secure what is obviously the greatest civic need in the Nation's Capital today.

THE FAIR EMPLOYMENT PRACTICE COMMITTEE AND THE TRANSPORTATION STRIKE IN PHILADELPHIA

Mr. RUSSELL. Mr. President, last Wednesday, in discussing some of the motives which lie behind the tragic strike which occurred in Philadelphia, I referred to the unusual publicity which had been given the investigation to be made by the Department of Justice. The grand jury inquiry into the trouble started the day I made my remarks.

The dramatic harangue to the multitude assembled in the courtroom made by the presiding judge at the point in the proceedings usually reserved for a charge by the court to the grand jury, is the most powerful argument against life tenure in the Federal judiciary that has come to my attention in some time. I hope that the carefully planned program directed at those who resisted the orders of the F. E. P. C. in Philadelphia is not to be capped by a judicial lynching.

I ask unanimous consent that an editorial entitled "Judicial Politics," ap-

pearing in today's Washington Post, referring to this speech by the judge to the crowd assembled in the courtroom, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JUDICIAL POLITICS

We find it difficult to see any judicial purpose that was served by Judge George A. Welsh's charge to the grand jury investigating the recent tie-up of Philadelphia's transit lines to look for political motives behind the strike. There seems to have been no previous indication that the walk-out was a political plot. But Judge Welsh had obviously smelled politics somewhere and insisted on spilling along his views to the grand jury.

"Ordinarily we can avoid reference to certain things like racial prejudice, racial intolerance, religious bigotry, and partisan politics," he said. "But today we cannot do that. You have got to be cognizant of the fact that a national election is impending." Having thus injected politics into the case, Judge Welsh hastened to add: "God forbid that I should bring politics into this investigation, but we want you to find out what certain men did and why they did it."

If our understanding is correct, the purpose of a judge's charge to a grand jury is to instruct it in its duties. In most of the Federal courts the judges follow a special form of charge designed to emphasize in the minds of grand jurors the necessity of impartial deliberations free from prejudice or malice. It is not customary for judges to discuss the cases to be laid before the grand jury, and it seems to us highly improper for a judge to inject his personal opinions about such matters into the instructions he gives the investigators, as Judge Welsh did in this case. Undoubtedly the public interest demands a thorough inquiry into this incident, which had the effect of sabotaging the war effort. But that inquiry certainly ought to be kept as free as possible from partisan politics and offhand judgments.

It may reasonably be said that any strike in defiance of the Government involves politics in some measure. Walk-outs of this kind create bitter feelings which sometimes attach to officials who enforce the law against the will of the strikers. But we do not see how the courts can properly deal with that aspect of these cases. We had supposed the judicial issue to be whether the law—namely, the Smith-Connally Act—has been violated. In the circumstances Judge Welsh appears to have gone pretty far out of his way to drag politics into the judicial process.

THE GREATEST HOMECOMING OF ALL— ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The Greatest Homecoming of All" delivered by him at Shiocton, Wis., July 22, 1944, which appears in the Appendix.]

BRETTON WOODS MONETARY AGREEMENT

[Mr. SCRUGHAM asked and obtained leave to have printed in the RECORD a letter dated June 21, 1944, addressed to the President of the United States and signed by 26 Senators, dealing with the international monetary fund plan, and a statement by himself on the Bretton Woods Monetary Agreement, which appear in the Appendix.]

ADDRESS BY BRIGADIER GENERAL TYLER BEFORE THE NATIONAL RIVERS AND HARBORS CONGRESS

[Mr. BUTLER asked and obtained leave to have printed in the RECORD the address delivered by Brig. Gen. Max C. Tyler, before the National Rivers and Harbors Congress,

New Orleans, La., July 27, 1944, which appears in the Appendix.]

PEACE DESPITE THE FILIBUSTERS— ARTICLE BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Peace Despite the Filibusters," written by him and published in the New York Times magazine of June 25, 1944, which appears in the Appendix.]

EXTENSION OF UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (S. 2051) to amend the Social Security Act, as amended.

THE VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE] to the first Murray-Kilgore amendment, so-called, as modified, striking out all after section 101 of said amendment and inserting in lieu thereof of certain language.

The Senator from West Virginia [Mr. KILGORE] has the floor.

Mr. HILL. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I yield.

Mr. HILL. I suggest the absence of a quorum.

THE VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Green	Revercomb
Andrews	Guffey	Reynolds
Austin	Gurney	Robertson
Bankhead	Hatch	Russell
Barkley	Hawkes	Scrugham
Brewster	Hayden	Shipstead
Brooks	Hill	Stewart
Buck	Jackson	Taft
Burton	Johnson, Calif.	Thomas, Utah
Butler	Johnson, Colo.	Tobey
Byrd	Kilgore	Truman
Capper	Langer	Tunnell
Caraway	McClellan	Tydings
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Danaher	Millikin	Weeks
Davis	Moore	Wherry
Downey	Murray	White
Eastland	O'Daniel	Wiley
Ellender	O'Mahoney	Wilis
Ferguson	Overton	Wilson
George	Pepper	
Gerry	Radeliffe	

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from Minnesota [Mr. BALL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. NYE], the Senator from Kansas [Mr. REED], and the Senator from Idaho [Mr. THOMAS].

THE VICE PRESIDENT. Seventy-six Senators have answered to their names. A quorum is present.

Mr. BARKLEY. Mr. President—

THE VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Kentucky?

Mr. KILGORE. I yield.

Mr. BARKLEY. Before the Senate recessed yesterday I expressed the hope that this morning we might enter into an agreement providing for a limitation of debate. I hope we may do that. I think it is the general feeling of Members of the Senate that we should vote on the bill today. If we do not, we will have to have a session tomorrow, as I now see it, for proposed legislation dealing with another phase of the question of reconversion will be coming on the first of next week. I am wondering whether we might not at this time enter into an agreement for a 30-minute limitation on debate on the bill and all amendments.

Mr. KILGORE. Mr. President, I do not like to disagree to anything suggested by the Senator from Kentucky, but I have prepared some figures, the presentation of which I think may take more than the time suggested, and I understand two other Senators have prepared addresses which they wish to deliver today which might take a little more than the time indicated. That is the only objection I have to offer. I may say that I join with the majority leader in his desire to have the debate concluded.

Mr. BARKLEY. I should be willing, if I could have the request agreed to, to have the order made effective following the remarks of the Senator from West Virginia.

Mr. KILGORE. I should like to ascertain the wishes of one or two other Senators who may have prepared remarks.

Mr. BARKLEY. I have a feeling that the debate has proceeded long enough so that any Senator can express the meat of his argument in 30 minutes, although it would be delightful to listen to whatever the Senators might desire to submit for a longer period.

Mr. KILGORE. May I ask the majority leader if he will wait to make the request until later in the day after we have been able to make a check of the situation? Unless there be some prepared addresses which will occupy considerable time, I shall make no objection to the request of the Senator from Kentucky. I shall try to say what I have to say within a period of 30 minutes.

THE VICE PRESIDENT. The Chair would like to call attention to the fact that a limitation of 30 minutes on the bill and 30 minutes on an amendment would total an hour.

Mr. BARKLEY. The usual request made with respect to limitation of debate is an equal time on the bill and on an amendment; 30 minutes on the bill and

30 minutes on an amendment would total an hour. It seems to me that would be as much time as any Senator ought to consume at this stage of the debate. But I will postpone the request until the Senator from West Virginia shall have finished.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. KILGORE. I yield.

Mr. OVERTON. I should like to make an inquiry of the Senator before he begins his speech. I do not desire to interrupt him if he does not wish to be interrupted.

Mr. KILGORE. I will gladly answer the Senator's inquiry now.

Mr. OVERTON. I thank the Senator very much. The Senator realizes, of course, as everyone else realizes, that when we began to prepare for national defense, and afterward for the stupendous war effort in which we are engaged, we had to convert this Nation very largely from peacetime pursuits to war pursuits. In accomplishing that purpose, we took laborers from the farm, we took men from filling stations, we took them out of offices, we took them away from their clerical duties, and they were trained as industrial laborers and became quite skillful. If I may be permitted to do so in the Senator's time I should like to say that, by and large, I think the laborers of this country have performed a monumental and a very laudable task in preparing the Nation for the war effort. Now what we are trying to do in connection with the proposed legislation is to reverse the process, go back from wartime pursuits to peacetime pursuits.

Mr. KILGORE. I may suggest to the Senator in reverse procedure exactly, to go from war to peace.

Mr. OVERTON. That is it.

Mr. KILGORE. Because at the time the Senator speaks about, before the war, we were following a policy not only of national isolation but of isolation of our industries, which necessarily caused a certain amount of unemployment by reason of limitations on the sale of our products.

Mr. OVERTON. That is very true. I do not care to talk about any particular phase of it, except I think that our general purpose now is to reconvert ourselves into peacetime pursuits as soon as we can and as soon as hostilities are over, and to a large extent before the termination of all hostilities. In order to accomplish that objective I think that any legislation bearing on this subject should make it very clear that any person who can find employment at prevailing wages in any occupation or work he is capable of performing, and fails or refuses to accept such employment, would not be entitled to any of the benefits of the proposed legislation.

I have as best I could examined the provisions of the bill of which the very able Senator from West Virginia is co-author, and I do not find any clear provision on that subject. I am wondering whether the Senator agrees with me that what we ought to have is not an invitation to idleness but, rather, an invitation to work.

Mr. KILGORE. That is correct.

Mr. OVERTON. Of course, we do not want to go back, as we did following World War No. 1, to bread lines, and we do not want to go back, as we did during the depression, to doles. What we want to do is to take care, by providing the proper unemployment compensation, of every man who is capable of working and who is unable to obtain work.

I was wondering whether the able Senator from West Virginia, after he consults with the coauthor of the bill, would be willing to accept a provision reading substantially as follows:

Notwithstanding any provisions of this act to the contrary, no person, otherwise entitled to receive interim payments or unemployment compensation under this act, shall receive such payments or compensation if and while he refuses or fails to accept, at prevailing wages, any employment to do work which he is capable of performing.

It is not very clear to me that the bill—

Mr. KILGORE. Would the Senator read the last part of that provision again, please?

Mr. OVERTON. It is very short. I will read it:

Notwithstanding any provisions of this act to the contrary, no person, otherwise entitled to receive interim payments or unemployment compensation under this act, shall receive such payments or compensation if and while he refuses or fails to accept, at prevailing wages, any employment to do work which he is capable of performing.

In other words, one who previously was not an industrial worker, but who has been receiving very high wages as an industrial worker in a war factory, could not say when there is no war work for him to do, "Well, now, I am an industrial worker." He may have been a filling-station employee, he may have been a clerical worker, and in his old peacetime pursuit he could again obtain employment and would be offered such employment, but he would refuse to accept it because he could say, "The compensation is not such as I have been accustomed to receive during the war period, and therefore I will not engage in this peacetime pursuit unless I can be paid the very large wages I was paid as an industrial worker."

Mr. KILGORE. Would the Senator amend his suggested amendment to include the words "provided such work does not entail such laborer engaging in a labor dispute"? I know from experience that when there is a serious labor dispute in a plant, if a local man were forced to accept labor in the plant, he might render himself very unpopular with his neighbors; in fact, he might endanger his future in the community. I do not think that is an unreasonable suggestion for a modification of the Senator's amendment. Frankly, I believe the bill covers the exact point the Senator has in mind; but let me suggest that amendment to him. I do not believe in asking any American citizen to stick his neck into a labor dispute in order to receive unemployment benefits. I think the Senator from Louisiana will agree with me as to the desirability of such a proviso.

Mr. OVERTON. Mr. President, under the parliamentary situation, I am not

entitled to offer an amendment, but the Senator from West Virginia [Mr. KILGORE] and the Senator from Montana [Mr. MURRAY] are in a position to modify their amendment.

Mr. KILGORE. The modification would have to be acceptable to my colleague the Senator from Montana, who offered the amendment, and who is the only one who could accept a modification. I refer the question of its acceptance to him. I will say that personally I have no objection to the Senator's suggestion, because it is my idea that that is the intent and purpose of the bill.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Louisiana a question?

Mr. KILGORE. I yield.

Mr. VANDENBERG. I should like to ask for an interpretation. Am I to understand that the Senator is seeking to eliminate all the so-called suitability tests except that of the prevailing wage?

Mr. OVERTON. I am basing a disqualification on the provision which I have suggested. If a man is offered work which he is capable of performing at prevailing wages and will not accept that work, he should not be entitled to the benefits of the act. I think such a provision is sound, sensible, and economically justified.

Mr. VANDENBERG. Does not the Senator from West Virginia think that that would eliminate all the suitability tests?

Mr. KILGORE. No; I do not think it would eliminate all the suitability tests. My feeling has been that the suitability test is not confined to the wage question. For example, a woman ought not to be asked to swing a 17-pound sledge. There are certain things which certain individuals cannot do. One should not be asked to do something which is physically impossible. I do not believe that a person should be compelled to accept a job at less than a subsistence wage. Of course, if it were the prevailing wage, and other persons were working at it, it would be a subsistence wage.

Mr. VANDENBERG. The Senator is familiar with the rather substantial list of reasons which are considered valid for not accepting work, and I am including all of those in the word "suitability." Would not the proposed amendment of the Senator from Louisiana eliminate all those paragraphs except the one relating to wages?

Mr. KILGORE. I do not know, because I have not had time to study it fully. With reference to definition, I respectfully refer the Senator from Louisiana to the Senator from Montana [Mr. MURRAY]. I shall be glad to take it up with him. As to the spirit of the amendment, I can see no reasonable objection; but, of course, the Senator from Montana is the one to pass on that.

Mr. OVERTON. I thank the Senator for yielding to me and making that suggestion. I shall be very glad to consult with the Senator from Montana.

I should like to bring out one further point. I believe that the George bill, in reference to compensation and the period of compensation, is insufficient. On the other hand, I do not know how it could very well be modified so as to

increase both the period of time in which unemployment compensation is paid and the amount. I feel that the so-called Kilgore-Murray bill compensation is too high.

I am emboldened to make a suggestion which I think would be very helpful if the Senator from Montana and the Senator from West Virginia would agree to a modification of that provision. When work is resumed on a peacetime basis, certainly we do not want any invitation to idleness. We want people to go back to work. We do not want to have the rate of unemployment compensation so high that it will dissuade some men from engaging in work. To restore our economy to a normal basis, we need to put men to work. We need to put capital to work. We need to put labor to work. We want everyone who is capable of working to work. We do not want any idleness in this country.

Mr. KILGORE. I echo the Senator's sentiments, with one addition. We want all men to go to work.

Mr. OVERTON. I thank the Senator. I hope that he and the Senator from Montana will consult on this question.

Mr. KILGORE. Mr. President, in my remarks yesterday afternoon I asked to have included as a part of those remarks a statement made by Matthew Woll, chairman of the American Federation of Labor committee on post-war planning, before a subcommittee of the Senate Committee on Military Affairs, on April 4, 1944. At that time I stated that I would supply the statement later. I now supply it, and ask that it be printed in the *RECORD* at this point and, for the permanent *RECORD*, that it be included in my remarks of yesterday at the appropriate place.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

It is of vital importance to labor, as it is to our whole economy, that the Congress should establish the general policy that demobilization of the armed forces and of workers must be integrated with the reconversion of industry.

The goal toward which we should aim is that discharge and reemployment should go on approximately at the same rate. To the extent that this is not done there will be unemployment which if it assumes large proportions, will be a threat to our economy. Neither industry nor workers can make plans for the future, prepare to expand and buy, unless they can base their plans on policies established by legislation which is not subject to sudden changes. Nor can Government agencies function without well-defined policy directives.

The manpower muddle we are in now is due in large part to the fact that about 30 Government agencies are responsible in one way or another for labor matters. Labor, industry, and Government agencies are in a state of frustration with all these overlapping jurisdictions in this time of emergency. How is it possible to cooperate with all the different requests or orders or policies when they are at such variance with each other, and when each agency considers its own interests, but does not integrate those interests with the necessities of other agencies?

We readily agree with the objectives as outlined in S. 1730 to provide for the transition period. They are implemented however, only as far as property protection is concerned.

But human rights are quite as important as property rights. The workers in this country, whether in the armed forces or on the production line, have as much right to have their interests considered and have their security provided for as have the property owners. It cannot be taken for granted that the provisions for the protection of property owners will automatically mean full employment at adequate wages for workers. They will help toward that goal. But they are not in themselves enough to achieve it.

Consider for a moment the migration problem. Whole areas and whole States have changed their populations during this war. Many of these areas and States will find their populations permanently increased. Others will be decimated. Policies established for the transition period, including the present time, will have their impact on these population changes. But in any case there will have to be a considerable redistribution of population. Workers who have migrated to congested war areas, often at the sacrifice of family life and decent housing and eating conditions, face an entirely different prospect on reconversion to peacetime production. Instead of the certainty of a job—a certainty which made it possible for them to undergo themselves the expense of the migration—they will face uncertainty under conditions which were none of their making and which they are individually impotent to change, unless plans are made now for what is a national responsibility.

It seems to us unrealistic to depend so greatly on the savings of workers to carry the economy through the transition period. There have been many articles written and speeches made about the enormous savings of workers and the pent-up consumer demand and how these factors will provide a market for industry which in its turn will provide employment. Government fiscal policy now and projected for the future is also at present based on the same general theory. This attitude seems to us like gambling on what may be a myth. There have been estimates of savings with totals averaged among the workers. The totals are impressive, but they include such items as paying off debts and mortgages, buying homes, premiums for life insurance, etc. Such savings are permanent investments, rather than savings in spendable cash. Moreover, goods will not be bought with savings—except for the minimum necessities—if the worker is out of a job and has no certainty as to when he or she will get one. If an investigator came to my door today and asked me what I should like to buy after the war, I might well say that I should want a new car or a television set. But if, after the war, I had no job, ordinary prudence and common sense would prevent me from spending for such things any of the savings I might have.

It is quite true, and we are glad that it is true, that thousands of families have moved up in the income scale. It should be remembered, however, that the lower income families were living at a standard below that set by the Department of Agriculture as a minimum for health and decency. As their incomes increased with better jobs, or more members of the family worked, they did what was quite natural—improved their standard of living to a decent level. These families, we believe, have no savings which can be used to support our industrial economy. Increased cost of living and increased taxation have brought down their income spendable for goods other than necessities to little more than nothing. In addition, there are thousands of families of servicemen, or others which have lost their breadwinner whose incomes are lower than they were before the war. According to an O. P. A. study on families and single consumers for 1942, over half of the total had incomes of less than \$2,000 per year and the average

savings in this group of about 23,000,000 families and single consumers was only \$57. No figures are available for 1943, but it is quite probable that any increase in family income has been offset by increased taxes and increased cost of living, so that there would be no greater ability to save. In the sale of E bonds of \$25 denomination, the ones bought mainly by workers, almost one-fifth of those sold had had to be redeemed by the first of this year. It becomes obvious that the savings of half the families in the United States cannot be depended upon either to support them or an industrial market in the transition period.

Servicemen are not professional soldiers. Within a few months of the time of their discharge from the armed forces, servicemen and women will become part of the civilian working population. They should, of course, be given the advantages promised them of having priorities on jobs. But we certainly do not want an army of unemployed as a substitute for an army under arms. Our Army is made up of civilians who want to return to civilian life as quickly as possible. At least a million and a half of the men and women in the armed forces are members of the American Federation of Labor. So it is of special interest to us that everything possible be done to safeguard the security of demobilized servicemen as well as war workers, to prevent unnecessary suffering arising out of the termination of war contracts and the reconversion of industry, and to insure the reemployment of discharged servicemen and discharged workers with the minimum of delay. Although every possible stimulus should be given, also, to planning and execution on the local level, these safeguards should be taken care of by policy directives on a national basis, since the emergency itself is national.

The recommendations for reconversion in the Baruch-Hancock report, recommendations with which there is general agreement, are implemented in S. 1823. I quote from pages 7C-77 of the report as follows: "The war has brought abnormal conditions of employment which have given rise to human problems which become reflected in every situation requiring administrative or legislative decision. These problems cannot be separated from the others. They will be greater or smaller directly according to the way in which such programs as contract termination, surplus disposal, the mustering out from the armed forces, public works, social security, education and benefits for veterans, and international agreements are handled. There is no way of isolating problems of human interests from others. But there is no necessity for losing sight of the personal element in any of the fields of adjustment—and there will be no excuse for ignoring it." We fully agree with this statement and urge that these fundamental recommendations of the Baruch-Hancock report be turned into legislative directives at the earliest possible moment. The general policies as outlined in S. 1823 we approve, both as far as industry is concerned and as far as discharged servicemen and workers are concerned. We urge that the provisions embodied in S. 1823 be substituted for those in S. 1730, and that the provisions of S. 1718 in regard to contract termination be included in S. 1823, thus bringing the major aspects of reconversion under one direction. Human demobilization and reemployment cannot be separated from property reconversion. They are part—and a vital part—of the same problem. We would be opposed to a bill which provided only for the security of property and did not implement the policy as stated in S. 1730, "to insure the fullest possible employment in private industry during the period of transition to civilian production after the cessation of hostilities and thereafter."

The Kilgore bill, S. 1823, does implement that policy, as well as the policy of providing adequate safeguards to industry. There are minor changes which might be made in the bill to clarify or improve some of the provisions. But the general policies closely resemble those which the executive council of the American Federation of Labor unanimously endorsed in January of this year.

Title I of the bill creating an Office of War Mobilization and Adjustment gives the authority and responsibility of legislative sanction to an agency which must have such sanction to perform its functions. It would be unworkable to have two offices—one for war mobilization and one for war demobilization—with conflicting jurisdictions. The fusing of these agencies into one seems to us a reasonable solution. The importance of this Office in its impact on our whole economy and the necessity for its working closely with the Congress are so great that it seems wise to deviate from the usual practice of permitting a director to choose freely his own assistants, and to provide, as has been done in this bill, that the heads of his chief coordinating agencies, as well as the Assistant Director, be confirmed by the Senate. The American Federation of Labor has urged that the reconstruction agency be directed by a board made up of representatives of industry, labor, and agriculture, each contributing from expert knowledge to a solution of specific and over-all problems. The Kilgore bill provides for the use of this experience in a National Production-Employment Board and provides for consultation with this Board on basic policies and programs.

In addition to the staff provided for this Board, we suggest that there be created a Technical Committee to provide technical advice to the Board. This Technical Committee should consist of outstanding authorities in the field of monopoly and competition, both from private life and from such Government departments as Justice and the Federal Trade Commission. The purpose in having this Technical Committee would be to provide the Board and the Director with professional advice in regard to the degree of competition within or between various industries, whether competitive profits or otherwise prevail in any industry, and what the effect would be on such industries of projected action. Both the members of this committee and the members of the Board should have full access to all material in the Office or in other Government departments necessary to their function. Preservation of a free competitive system, with equal opportunity to all to enter that system, is the key to industrial expansion and full employment. Particular emphasis should be placed on the needs of small business, and the entrance of new business in the economy.

It is further suggested that machinery be established to provide for public cooperation and participation in the program, by full public knowledge as to policies and directives and by sessions which will provide the general public or organizations with an opportunity to express their views as to the functioning of the Office. Mutual understanding on the part of the officials and the public is essential to its success.

Since this Office will have to work closely with the Congress, and will undoubtedly need further enabling legislation, it is suggested that there be included in S. 1823 a section establishing a joint committee of the Senate and the House with which conferences may be held at frequent intervals on matters of policy, and which will thus become familiar with the problems confronting the Office and with its functioning.

A dangerous omission in our present governmental organization is that of a central agency established by legislative act and entrusted with the duties of making realistic surveys of matters relating to the economic

and social welfare of the Nation, States, communities, and the people; of reviewing progress made; and of suggesting on the basis of such surveys and reviews the necessary programs for correction or expansion. This omission is remedied by title II in S. 1823 through the creation of a bureau of programs. Our economy is disturbed and disrupted in our supreme effort to win the war, and the delicate and complex interrelationships between industry and industry, agriculture and industry, labor and industry, between all of them and the Government, and again with the consumer, have been distorted from the interrelationships which existed in a peacetime economy. It is unlikely that they will ever again be as they were in the past. Nor do we want them to be the same, I am sure. That would mean going back with a sudden contraction to an economy with half of our present productive capacity, with a resultant depression worse than that of the thirties and instead of the unemployment of about 9,000,000 in 1940, an unemployment of some 19,000,000. Everything possible should be done to obviate such a disaster by carrying out the primary objective of making it possible for private enterprise to operate at a full employment level. But this cannot be done overnight. It is thus only exercising due caution to have an agency instructed to work out programs for necessary public works, including those which will give employment to white-collar workers, housing, and other improvements which have been impossible in the war period, as well as means to stimulate industrial and regional development, local community planning, etc. The functions of the bureau of programs appear to us to be long overdue. No efficient business concern could survive for any length of time without plans for the future. Nor can a government.

Title III of S. 1823 gives the War Production Board the coordinating powers it must have to insure a reasonably smooth transition from military to civilian production, and yet makes its functions an integral part of the over-all administration of demobilization and reconversion. The provisions under this title will clarify responsibilities which overlap with one or more agencies at the present time and will, we believe, make for better administration.

The functions as established for the War Production Board do not include the settlement of war-contract claims. We suggest that there be embodied in this bill another title which would include the general provisions of S. 1718, establishing an agency to settle contract terminations and interim financing, with special consideration for the needs of small business. It is particularly true now when so many of the war contracts have gone to big business and when there has been such a high mortality rate in small business, that there is increased danger that free competition will tend to disappear from our economy. In the interests of developing and expanding new lines of endeavor, of stimulating free competition, of equal opportunity for any individual to go into business for himself, and of providing a means for quick conversion to civilian production, small business should be given priorities and all other aid possible.

A major concern in over-all policymaking is the disposal of surplus property and plants. Such disposition, of course, has to be integrated with the other objectives of S. 1823. It is well provided for in title IV. We would urge that the basic criteria in deciding on disposition of surplus property, equipment, or plants should be, Will this decision increase production at competitive prices and employment at adequate wages? It seems wise to provide, as has been done in section 403, that there should be attached to every contract for the sale, lease, or other transfer of a plant a provision requiring that it be kept in operation and production for 3 years.

This would prevent its being taken over for the purpose of keeping it out of competition.

Experience after the last war taught us a bitter lesson in regard to the disposition of raw materials and surplus property. There was widespread speculation, creation of artificial shortages through hoarding, spiraling prices, and then sudden deflation from which it took us a long time to recover. Specific enabling legislation, which was lacking during and after the last war, should be enacted to prevent these things from occurring again on a much vaster scale.

The effect of cut-backs and cancellation of war contracts, with no plans for either new contracts or resumption of production for civilians and with no provision for the reemployment of workers thrown suddenly out of their jobs, may already be seen in the manpower muddle and the disintegration of certain congested areas of war production. We may expect that, since we are now approaching the peak of the war, these problems will from now on become intensified.

The provisions in title V of S. 1823 allow for a constructive program which is not just a palliative but one which holds real hope for the future—one which will relieve the sense of fear and insecurity which would otherwise be a bar to active cooperation on the part of workers in the transition period and beyond. Workers do not want charity. They want jobs. They will need aid in finding those jobs, in migrating to them, and in receiving unemployment compensation until they get them. In connection with the last need, there has been some discussion of having the Government allow as a permissible cost to concerns having war contracts dismissal wages to war workers. Certain unions do have dismissal clauses in their contracts, and dismissal wages do provide some protection to workers. Nevertheless, there are formidable administrative difficulties and some question as to the advisability of putting the disbursement of Government funds in the hands of private individuals (as would probably have to be done through the relationship between prime contractors and subcontractors). There would also be discrimination against workers who are actually doing war work but not under Government contract, and lack of wide enough coverage to take care of those who have earned the right to unemployment compensation but who would be unable to receive it through State funds. Moreover, the responsibility in a national emergency is not that of the States or private individuals, but that of the Nation.

In this emergency during the transition period the provision for emergency unemployment compensation would be the most equitable method of providing for discharged workers and in coordinating this program with the provisions for discharged service men and women. There seem to us to be good provisions under this title for the maximum potential contribution of the workers to the future of this country not only through the preservation of their self-respect and morale, but through provisions for their better education and training.

During the transition period we urge that price control and rationing be continued for the purposes of preventing inflation and of equitable distribution at reasonable prices of scarce goods. We suggest that the criterion in relaxing these controls be based on ability to produce a given commodity sufficient to satisfy the demand at the ceiling price or below. Provisions for these controls should be included in S. 1823 in order that they may become part of the integrated over-all program.

It has been a hard lesson for us to learn, as we have, in selection for the draft and for essential work what lack of education, bad housing and living conditions, and the depression conditions of unemployment, have

done to those upon whom we have had to call in this war emergency. We hope that it will never happen again. In any case we can learn from previous experience and in a statesmanlike manner we can lay the legislative foundations for a sound expanding economy.

Mr. KILGORE. Mr. President, during the past few days the amendment offered by the Senator from Montana [Mr. MURRAY] has been represented as one to provide \$35 a week interim placement benefits to every unemployed worker. It has been so represented in the press, and in discussions on the floor of the Senate.

Such an impression is contrary to the plain and unmistakable language of the bill, which restricts the maximum benefit of \$35 a week to unemployed persons who have at least three dependents, and who have earned \$48 a week during the base period. On the basis of statistics from the Bureau of Labor Statistics it is estimated that the earnings qualification would disqualify four out of every eight workers, and that the dependency qualification would disqualify three of the remaining four. The effect of these qualifications would therefore restrict the maximum benefits to about one out of every eight workers.

Let me say further that when it is applied to the veteran, we find the percentage of veterans included and aided to be greater than that of other workers. My information is that approximately one-third of our veterans have dependents. The so-called G. I. bill discriminates in favor of the man without dependents by paying him exactly the same as the man with dependents. I happen to know that from my home State coal miners with five or six children were inducted into the military service and are still serving therein.

Since the attack has been centered on the \$35-a-week scale, which has been represented as an extravagance under which the economic back of the Nation would crack, let me say a few words in that connection. What does \$35 a week mean in terms of the things required to sustain life at the present time, under the present scale of prices? An exhaustive study was made under the supervision of the Department of Labor, which enables us to answer this question in some detail. I respectfully refer the Members of the Senate to that study for the details; but I should like to point out a few of the high lights.

In 1935 a careful study was made under the auspices of the Bureau of Labor Statistics to determine the minimum cost of maintaining a family of four persons—the head of the family, his wife, and two children. The basis of the study was the determination of what is a minimum existence wage on which an American worker can live. This can be taken as a typical family which under the provisions of this bill would receive the \$35 benefit, if the head of the family previously earned at least \$47 a week. At that time, 1935, on the basis of commodity costs for the essentials of living, it took \$1,260 to maintain such a family on the so-called maintenance budget. The study recommended that that was not a continuous maintenance budget

and could not be maintained over great lengths of time.

Since then prices have increased so that at the present time a little over \$1,700 is required to purchase what could be gotten then for \$1,260. This adjustment is for price increases only, based on ceiling prices. The Bureau of Labor Statistics acknowledges that the increase in prices alone does not fully reflect the total increase in the cost of living. These other costs do not lend themselves easily to measurement; but in view of the nature of these factors, it is conservative to say that the effect of these changes would be to bring the current cost of the maintenance budget well above \$1,800 a year, which is approximately what would be provided by \$35 a week, the amount contemplated as the maximum payment to be made in order to furnish the minimum requirements of a family of the size stated.

Let me describe the standard of living which could be provided by \$35 a week as shown by this study. It was assumed, of course, that the housewife would do all her own work, including washing, cooking, baking, and mending. She would have for food an average of 16 cents a meal per person. And remember this is at present prices. That amount would be slightly increased, based upon the increased amount of the budget and the increased cost of food. If I remember correctly, at that time the United States Army was allowing approximately 27 cents or 28 cents a day for the feeding of each soldier, when the soldiers were being fed in groups of 100 men. For the working head of the family this budget would provide 1 pound a week of meat, fish, and poultry combined—not a pound of each, but a pound of all 3 taken together, and not quite a pound a week for each of the other members of the family. Each person in the family could have 1 pound a week of tomatoes, oranges, lemons, or other citrus fruits. Each adult could have about 3 eggs a week, including those used in cooking. That is not much more than adults get in Germany today. Is that too much luxury for those who would question the amount of money involved?

So much for food. Let us now consider clothing. At the income level set forth by the Bureau of Labor Statistics at that time—and I believe the price of clothing has increased as much, if not more, than the price of food has increased—the head of the household—

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. TYDINGS. I do not wish to interrupt the Senator's line of thought. But suppose a person had saved up some money from what in many cases are the rather high wages being paid today, as compared with the wages paid 5 or 6 or 8 years ago, and suppose such person was out of employment. In that case would the unemployment relief go on just the same, notwithstanding the fact that the person was able to tide himself over the emergency?

Mr. KILGORE. Mr. President, I shall take up that question with a parallel, I say to the Senator from Maryland, a little later in my remarks.

Mr. TYDINGS. Very well; I shall wait until that time.

Mr. KILGORE. At the income level mentioned, the head of the household could buy one winter suit once every 3 years, 1 pair of pajamas once every 2 years, and one hat once every 3 years. A large part of a worker's clothing budget is spent for work clothes—overalls and shirts. He could afford only one pair of oxfords a year, because he would need at least two pairs of work shoes. The housewife's quota of clothing would be one woolen dress every 2 years, one winter coat every 3 years, and a bathrobe every 10 years. The provision for the children would be even more restricted: one suit every 2 years for a growing boy and one rayon street dress for a girl each year. Those are merely illustrations, and I do not mean to imply that that is all the clothing provided. I am taking these illustrations merely from the statistics furnished by the Department of Labor for the year 1935, and am superimposing them on the costs and wage levels set forth in the bill.

What could they get in the way of household furnishings, if that budget had to be continued over a long period of time? For all expenses in keeping a house provided with such things as blankets, furniture, carpets, brooms, etc., there would be available less than \$50 a year, less than \$1 a week. Is that too much? Is it more than our economy can bear?

Medical expenses could not exceed \$16.50 a person a year. If they did, the money would have to come out of the allowance of 16 cents for meat or out of the allowance for the suit the head of the family could buy once every three years. That \$16.50 must cover doctor's visits, obstetrical care, emergency operations, care of the teeth, hospital bills, medicines, drugs, and eyeglasses. Is that allowance too much?

Based upon the price I paid for the last pair of spectacles I bought, I could afford to buy a pair of eyeglasses once every 2 years, provided I did not have to have my eyes examined, for the cost of the examination would add to the cost of the spectacles.

Statistics revealed by the Army physical examinations of selectees—I have heard this subject debated on this floor repeatedly—showed that a shamefully large proportion of our young men are not fit for strenuous physical exertion, because of insufficient medical care and inadequate diet. That is one of the pleas which representatives of the War Department made when they came to Congress and asked that the age limit be lowered. They referred to the tremendous percentage of inductees rejected largely because they were not fit for strenuous physical exercise, because of insufficient medical care and bad diet. Those statistics should do much to quell the fears of those who oppose the bill on the ground that under it the American

people would become pampered and would degenerate into a spoiled bunch of loafers.

Living on such an income, the family would be able to squander \$1.70 a week on recreation. They could buy one daily newspaper, some cigarettes or smoking tobacco, candy, and magazines. Then 12½ cents a week per person would be left for movies and other recreation. I have yet to find in the city of Washington or in any other city I have visited a motion-picture theater selling admission tickets for as little as 12½ cents.

That is the luxurious scale of benefits to which objection is being made. I challenge any Senator to say that it is too much. I challenge any Senator to say that he would be content to provide only half of that, and that half for not more than an 18-week period. That is what the alternative proposal by the Senator from Georgia [Mr. GEORGE] provides.

In contrast with these provisions for the average American family, I should like to describe the safeguards for corporations contained in the tax laws, as recently amended. I should particularly like to address a few questions to those who profess concern lest the \$35-a-week maximum provision of the Murray-Kilgore bill for a family of four or more persons be more than this country can stand. I address these questions to them particularly because they were the most fervent proponents of the carry-back, carry-over provisions of the tax laws which I am about to describe.

I speak to them humbly, because I cannot follow the logic of those who oppose this bill which provides such luxuries as one suit of clothes every 3 years for the head of the family or one winter dress every 3 years for his wife, on the ground that it would break the financial back of the Nation. At the same time they have been willing to set aside \$28,000,000,000 of corporate taxes as a gigantic revolving fund, to be used, not to carry on the functions of the Government and pay the costs of this war, but to insure profits to corporations at the handsome levels of the base period, or as based on total investments, including loans at 8-percent profit, whichever is the handsomer.

The American Government is even obligated to pay the cost of the accountants to find out which is more profitable to the corporation and which takes more away from the American Government. That is the effect of the carry-back, carry-over, and, shall I say, carry-out-the-wishes-of-the-corporation tax bill.

When the gigantic corporations of this country looked for a way in which to safeguard the swollen war profits against the claims of the Government to carry on the war it did not take the leaders of the opposition long to find out how to do it. They did not then count the cost to do it. They did not then count the cost to the Nation. They did not then say that \$28,000,000,000 was too much. In fact, no one even questioned the amount which was being allowed for this carry-back and carry-over. They even served it up a la mode by adding the Ruml tax-forgiveness plan.

But now, when we are deliberating the question of assuring the average American worker that his family need not starve during the period when his employer is reconverting his production to a peacetime basis, that period so munificently safeguarded for the employer by the carry-back, carry-over provisions of the tax law, while we are considering the question whether during such period the workers shall have the barest subsistence, while the corporation shall have the profits plus the subsistence, there are those who have become suddenly economy minded and fearful for the economic strength of the Nation.

Let us look briefly at the relevant figures. In 1942 the total corporate net income of the Nation was \$23,300,000,000, in 1943 it was \$25,300,000,000, and in 1944 it was \$23,500,000,000. Compare these figures with the profits in 1936 of \$7,800,000,000; in 1937 of \$7,800,000,000; 1938, \$4,100,000,000; 1939, \$7,200,000,000. During the war period corporate profits were more than three times those of the pre-war years. During 1943 and 1944 net income after taxes is estimated to be \$9,600,000,000 and \$8,500,000,000, respectively. During 1936 and 1937, both profitable years, corporate income after taxes was under \$4,000,000,000 annually. I wish to remind the Senate that those profits for 1943 and 1944 are based on calculations which exclude the effect of the extremely liberal amortization provisions enacted by Congress to encourage manufacturers to go all out on the war program, provisions affording the right to charge back the cost of all new plants the manufacturer has contributed in connection with the war effort at 20 percent a year. New plants can be amortized in 5 years, although they last 20 years. If the manufacturers sell these plants after writing them off, the money is theirs. The figures which I have just read do not include such hidden profits, nor do they include the tremendous salaries paid to the top managements of the corporations.

To protect those profits during the period of reconversion—and I speak from the corporational point of view when I say "protect"—the revenue law was amended by the inclusion of what are called the carry-over carry-back provisions.

As a result of these provisions, corporations may use years of low income to recover taxes paid during years of high income. The same liberal provision is made with respect to excess-profits taxes. These become what can be called the interim placement benefits for corporations. I think the parallel is well drawn.

As a result of those provisions the \$28,000,000,000 of taxes paid by corporations during 1943 and 1944 become subject to recall by the corporations whenever their income drops below the higher of two levels, one being average earnings during the base period, the other being a rate based on total investment. Because of these provisions there is a little string attached to the \$28,000,000,000 in corporate taxes paid during '43 and '44.

This little string protects them, not only against loss, but against not having made as much profits as the very liberal tax law allows them, which is at least 8 percent on invested capital including such water as might have seeped into the stock.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. DOWNEY. I believe that the Senator is performing a very valuable service in bringing before the Senate and the American people the effect of the carry-back provisions of the Internal Revenue Act of 1942. I should like to offer one qualification to the accuracy of his statement, not as he has set it forth, but perhaps in an effort to amplify it. He has stated that \$28,000,000,000 has been set aside for a fund out of which corporations may recoup themselves in the post-war era.

Mr. KILGORE. May I interrupt the Senator at that point? I meant \$28,000,000,000 on the books; not in money, because the money has been spent.

Mr. DOWNEY. I understand that. The money has been spent and, of course, there will have to be deficit financing in order to recoup the corporations. But \$28,000,000,000 is only the sum which has accrued up to date.

Mr. KILGORE. That is correct.

Mr. DOWNEY. Before the war is over, assuming that it will end within a year or 18 months from now, undoubtedly that amount will not be \$28,000,000,000, but will be nearer \$40,000,000,000.

Mr. KILGORE. The Senator from California is undoubtedly correct. I used only the figures which had been furnished me as representing the situation up to the present date.

Mr. President, repeating what I have already said, because of the provisions to which I have referred, a little string is attached to the \$28,000,000,000 of corporation taxes which were paid during 1943 and 1944. The corporations are protected not only against loss, but against not having made as much profits as the tax law allows them, which is at least 8 percent on invested capital including, as I have said, as much water as might have seeped into the stock certificates. I wonder how much has been considered from the human standpoint, as to whether there might be a carry-back and carry-over provision.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. GEORGE. I believe that I should make a statement now, because there has been so much misapprehension about what the carry-back and carry-over provision is. I did not rise for the purpose of going into that issue; I rose to say that the Senator from West Virginia is now opposing the recommendation by the Administration to the Senate Finance Committee. The loss carry-forward and the loss carry-back provision did not originate with the chairman of the committee or any member of the committee, but had the express approval of the Secretary of the Treasury through Mr. Randolph Paul who appeared and

spoke before the committee. It does not have the effect which the Senator thinks it has, and I wanted to make it clear that he is now squarely in collision with the administration itself so far as any criticism of the loss carry-forward and the loss carry-back provision of the Tax Act of 1942 is concerned.

I think the country ought to understand that fact. In the Finance Committee there was a proposal which it was wished to have considered, and this was brought forth as the joint production of the staff of internal-revenue taxation and the Treasury; it was openly advocated by the Treasury, and, upon the Treasury recommendation, it was accepted and became a part, finally, of the law.

Mr. KILGORE. I thank the Senator from Georgia for his statement.

Mr. GEORGE. I thought I should make that statement.

Mr. KILGORE. I am comparing the position taken now with the position taken then.

Mr. GEORGE. I understand what the Senator is doing, but I wanted the matter understood.

Mr. DOWNEY. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I yield.

Mr. DOWNEY. Perhaps the Senator is under a misapprehension as to the implication of my remarks. I am not speaking critically of the law. I am very positive in my own mind that I understand what the law means, and know what its effect will be. But I have a letter from Randolph Paul in my desk that I might read if there is any doubt about it. If the war lasts 1 year longer the corporations of this Nation will have paid income taxes and excess-profits taxes probably to the extent of about \$40,000,000,000, from which they will be enabled to draw to recoup themselves for losses and likewise for declines in earnings under certain circumstances in the 2- or 3-year period after the war and concluded. I wish to say to the distinguished Senator that—

Mr. GEORGE. Let me interrupt the Senator there.

Mr. DOWNEY. I should like to conclude. That may prove to be a very wise and salutary law; I am not criticizing the intelligence or good faith of anyone in passing it; but I would say to the distinguished Senator that I am unable to understand the viewpoint expressed on the floor of the Senate in opposition to the expenditure of ten or twenty billion dollars to protect labor against the ravages of idleness when we are willing to earmark thirty or forty billion dollars to protect corporations against losses in the post-war era.

Mr. GEORGE. In the first place, the Senator misconceives not only the reason but the actual effect of the loss carry-back and loss carry-forward provision. I did not rise to enter into a discussion of its merits or demerits. I was simply calling attention to the fact that it was, and is, the recommendation of the administration, and if Senators want to fight against it they are privileged to do so.

All the loss carry-back provision does in the final analysis is to average the tax liability of the taxpayer for a longer period than 1 year, during a time when it is difficult to ascertain whether profits have actually been made.

I am not discussing the merits of it. I merely want to call attention to the fact, because frequently the loss carry-back provision has been accredited to me. I am not in a position to claim any credit for the loss carry-back and carry-forward provision of the act, except that, upon the Treasury recommendation and the concurrence of the Joint Committee on Internal Revenue Taxation, we accepted the provision and made it a part of the law.

Mr. DOWNEY. Mr. President, will the Senator from West Virginia yield further?

Mr. KILGORE. I yield.

Mr. DOWNEY. I certainly immediately admit the correctness of the statement made by the distinguished Senator from Georgia as to the mechanism by which the result we are talking about would be worked out. As I understand, corporations for the 2-year period after the conclusion of the war will have the right to have their income taxes figured over a 5-year period and then for the purposes of calculation will be able to compute their income taxes for the period 2 years after the war as well as the 3 years prior to that time. The result will be that the income taxes over that period will be so greatly reduced that all corporations that have sufficient earnings and have paid sufficient taxes will be recouped of all losses during that period and in many cases—

Mr. GEORGE. Oh, no; they will not be recouped for any losses. They will pay the tax which they should have paid over the lengthened period. That is the whole effect of it. But I do not care to go into a discussion of it.

Mr. DOWNEY. I should like to say further that I have on my desk a letter from Randolph Paul explaining the purpose and effect of the carry-back provisions, and I believe that I have correctly stated what he states in that letter. In my own time I shall later read that letter into the RECORD, but again I wish to say to the distinguished Senator nothing that I have to say is any implication of criticism. I do not mean it in that way.

Mr. KILGORE. Mr. President, may I say to the distinguished Senator from Georgia that what I was saying was not intended as criticism of the Senator or anyone else connected with the committee. It was merely being used to illustrate a change of policy, possibly, shall we say?

It has been frequently reiterated on the floor of this Chamber that the effect of pay interim placement benefits sufficient for a decent existence would tend to retard conversion and a return to normal conditions, the inference being that all the workers of America are so lazy that they would not go back to work. In this connection let us consider the huge profits made by corporations and the opportunity for profits which they have.

I should like to bring a few specific cases to the attention of the Senate. We have heard a great deal about how much the worker has made: Let us consider how much others have made by way of savings and why they need the carry-back carry-over provisions of the law.

Mr. President, I ask to have printed in the RECORD at this point as a part of my remarks the tables to which I am about to refer.

The VICE PRESIDENT. Without objection, it is so ordered.

The tables referred to are as follows:

GENERAL MOTORS

	Gross profits	Normal-profits tax	Excess-profits tax	Net profits
1936...	\$297,397,775	\$43,607,627	-----	\$253,790,148
1937...	255,153,330	49,107,135	-----	206,046,195
1938...	133,992,679	28,000,334	-----	105,992,345
1939...	236,432,667	44,852,190	-----	191,580,477
1940...	325,354,035	84,261,235	\$40,766,506	200,326,294
1941...	502,129,027	116,061,258	171,931,085	343,043,160
1942...	310,957,828	94,127,027	30,373,494	186,457,307
1943...	470,551,368	90,634,718	152,285,975	227,630,675

CHRYSLER

	Gross profits	Normal-profits tax	Excess-profits tax	Net profits
1936...	\$76,200,782	\$12,800,000	-----	\$63,400,782
1937...	63,092,212	11,000,000	-----	52,092,212
1938...	22,498,293	3,700,000	-----	18,798,293
1939...	47,850,615	8,500,000	-----	39,350,615
1940...	64,806,375	16,500,000	\$7,000,000	41,306,375
1941...	70,394,999	17,700,000	11,000,000	41,694,999
1942...	52,042,557	22,000,000	-----	30,042,557
1943...	77,180,815	21,750,000	10,800,000	44,630,815

PACKARD

	Gross profits	Normal-profits tax	Excess-profits tax	Net profits
1936...	\$8,377,840	\$1,300,447	-----	\$7,077,393
1937...	3,654,494	602,082	-----	3,052,412
1938...	1,603,404	20,750	-----	-----
1939...	842,446	219,430	-----	623,016
1940...	1,309,630	476,815	-----	832,815
1941...	5,789,267	1,598,431	-----	4,190,836
1942...	19,875,643	2,641,474	\$7,884,920	9,349,249
1943...	26,547,008	2,331,304	20,475,500	3,640,204

JONES & LAUGHLIN

	Gross profits	Normal-profits tax	Excess-profits tax	Net profits
1936...	\$4,464,601	\$335,000	-----	\$4,129,601
1937...	5,613,769	825,000	-----	4,788,769
1938...	5,945,747	65,789	-----	5,879,958
1939...	3,851,561	662,617	-----	3,188,944
1940...	13,855,477	3,578,448	-----	10,277,029
1941...	30,619,976	7,619,993	\$7,500,000	15,499,983
1942...	34,629,503	6,318,213	18,170,000	10,141,290
1943...	29,966,350	6,729,122	13,725,000	9,512,228

CONTINENTAL MOTORS

	Gross profits	Normal-profits tax	Excess-profits tax	Net profits
1936...	\$29,244	-----	-----	-----
1937...	576,104	-----	-----	-----
1938...	55,748	-----	-----	-----
1939...	32,269	-----	-----	-----
1940...	1,271,409	\$139,000	-----	\$1,132,409
1941...	7,142,802	1,700,000	-----	5,442,802
1942...	24,432,903	2,600,000	\$15,400,000	6,432,903
1943...	28,280,847	725,000	19,327,500	8,228,347

¹ Deduct credit of \$28,906,476 for overpayment.

² Deficit.

³ Deficit due to drop in sales.

Mr. KILGORE. It will be seen that in 1936 General Motors' gross profits were \$297,397,775; their normal profits tax for that year was \$43,607,627, and their net profit was \$253,790,148.

Let us come down to 1940. In that year the gross profits of General Motors were \$325,354,035, and they paid a normal profits tax of \$84,261,235, and an excess-profits tax of \$40,766,506, but they

still netted more than \$200,000,000 of profit.

In 1941 their gross profits were \$502,129,027 and their net profits \$343,043,160.

In 1943 their gross profits were \$470,551,368, and their net profits \$227,630,675. They have a carry-back and carry-over in the Treasury affecting future taxes and future losses of operation the great sum for 1943 of \$214,000,000 earmarked in the Treasury to protect them against losses in the post-war period and make them good for 2 years and they can take advantage of that.

Let us take Jones & Laughlin Steel. They were a rather small concern, a branch of a larger concern. Their profits in 1936 were \$4,464,601, and their net profits \$4,129,601.

In 1940 their profits were \$13,855,477, and their net profits \$10,277,029.

Let us go to 1942. In that year their gross profit was \$34,629,903, and, after deducting taxes, they still had a net profit of over \$10,000,000, and under the carry-back plan they could recoup, or rather replenish, their tax situation and get credits or back taxes in excess of \$40,000,000, earmarked on the books of the Treasury to take care of them.

In order to be absolutely neutral, let us take Continental Motors' figures. In 1936 they were a small concern, and made a profit of \$29,244. In 1940 their gross profits amounted to \$1,271,409. Before that they had no net profits. In 1940 they made \$1,132,409 in net profits, after the payment of all taxes and operating expenses. In 1942 they made \$24,432,903 in gross profits, and \$6,432,903 in net profits. In 1943 they made \$28,280,847 in gross profits, and \$8,228,347 in net profits, after the deduction of all taxes, surtaxes and others, and with the right of amortization of any plant in which they invested money during that period. They also have some \$35,000,000 credited on the books for the post-war period to take care of the carry-back and carry-over.

Chrysler in 1936 made profits of \$76,200,782. They made gross profits of only \$77,180,815 in 1943, and a net profit of \$44,630,815. They did not expand so much. But on the books of the Treasury they have a credit of some \$11,000,000, not including the taxes for 1944, with which they can carry back and carry over.

These are the figures on which I rely to show how in the reconversion process we have treated the corporate element, and how it is now proposed that we treat the human element. Is there any particular incentive for rapid conversion, with all those credits on the books, in the corporate element, if we are to say that the workingman will not go to work if he gets enough to live on?

If the Murray amendment to the George bill were to promise to every American worker in idleness as much as he earned during the wartime, or as much as he earned in the pre-wartime, then we would have something comparable to the corporation carry-back and carry-over provision. Then it might be argued it would be unreasonable, and it could be argued that it was most unreasonable; but that argument cannot be

made by those who oppose this amendment. It cannot be said that it was reasonable for corporations, but not for the individual worker and for the returning soldier.

This amendment does not guarantee the American worker what he received during wartime. For a single worker in a war plant it provides substantially less than half his earnings, an amount barely sufficient to provide him with the necessities of life if prices remain as they now are, and there is no indication of their dropping.

It does not provide even the necessities for an extended period of unemployment. This is the measure which the framers of the carry-back-carry-over provision for corporations denounce as most extravagant. Consider the General Motors Corporation, whose profits I have just stated. It is estimated that they will have to their credit on the books of the United States Treasury at the end of 1944 a carry-back-carry-over credit of \$480,000,000. Is there any real incentive to expand and completely carry on business in view of such a condition? Shall we say to the worker, "You have some unemployment compensation funds built up in your several States. We will give you back certain parts of the taxes you paid during the lush period. We will set that up as a credit to you on the books, and if you do not make as much as you made during the pre-war period, and you do not live as well, we will give those taxes back to you, or we will give you sufficient credit on your taxes so that we will make up the difference"?

When we talk about the unemployment compensation funds taking care of this situation, there are a few figures furnished by the Social Security Board which are of great interest. If we had total unemployment in the United States, only 60.7 percent of our workers could be cared for, even with the very small payments made, out of reserves built up from unemployment compensation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. BARKLEY. I should like to have a little clearer definition of what is meant by "total unemployment." In the letter of Dr. Altmeyer to which reference was made in the debate a few days ago, the term "total unemployment" is used as the basis for certain figures. What is "total unemployment"?

Mr. KILGORE. Under the table to which I am referring, let me say, it is considered that every person covered in the bill would be unemployed in the particular State.

Mr. BARKLEY. In other words, all the millions who are covered would be unemployed?

Mr. KILGORE. Yes.

Mr. BARKLEY. That is an assumption which is, of course, fantastic on its face, and a condition, as I see it, which could not ever happen unless our total economy should collapse. I do not see how it is possible for anyone to arrive at any conclusion based on total unemployment.

Mr. KILGORE. I was using it as a base figure, not with the idea of total

unemployment, but when we consider that seamen are not covered, that Federal workers are not covered, that employers with eight or less employees are not covered, that municipal workers and State employees are not covered, there is not a very large percentage of labor covered. If the others all went to work, we might have almost total unemployment of the classes covered, if they wanted to be lazy, and if the payments did not justify them going to work. But I am not arguing that. I am mentioning it to show the comparison between the States, as another feature.

Mr. BARKLEY. I understand, but according to this table, all those covered under the State laws amount to about 30,435,000.

Mr. KILGORE. And there are 65,000,000 workers.

Mr. BARKLEY. That is true, but with total unemployment as the basis for the figures which Dr. Altmeyer furnished a few days ago in his letter, or as the basis of any other figures, it seems to me it is a false premise, because I cannot imagine everyone in the United States who is covered, either under the present laws or under any law we might enact, being unemployed. If that were so, there would not be anyone at work, and I cannot conceive of such a condition as that. Therefore, I do not think the proposed legislation would cost anything like as much as those who use total unemployment as the basis for calculation estimate.

Mr. KILGORE. I agree with the Senator. I am using this to illustrate another point. I was giving the average throughout, which would be an actuarial average. If every person insured under life insurance policies should die today, suddenly, the average insurance company would probably be unable to pay more than 60 percent of its losses, because, based on the tables of mortality, they estimate that an insured person will live a certain length of time and that there will be so much in the way of accruals. But this is the point I was making; the figures show that, with total unemployment, the range is as low as 38½ percent of the coverage, for instance, in the State of Maryland, and 39 percent in the State of Michigan, which latter State, with its gigantic, swollen war industries, will probably be one of the greatest sufferers. Maryland and Michigan will probably be the greatest sufferers. There will be 80 percent in Alaska. There will be 71 percent in Maine, 80 percent in Montana, 86 percent in North Carolina, 77 percent in Pennsylvania, 58 percent in West Virginia, 79 percent in the State of Washington. So we are going to have to spend a great deal more money in equalizing these funds with our so-called loans than we anticipate. That is the point I want to bring home. Let us be consistent. If we are going to take good care of corporations, and argue that every corporation will continue to operate, is there any reason to say that the American worker, who has done so good a job in this war, is going to lie down and quit

100 percent just as soon as the bill is passed?

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. KILGORE. I yield to the Senator from Pennsylvania.

Mr. DAVIS. In listening to the discussion by the able Senator from West Virginia I have been struck with the thought that he is rather pessimistic on the general subject. I think too pessimistic an attitude is being taken in the discussion when it is intimated a majority of workers will be employed. Following the last war, the largest number of unemployed in the United States, which was a year and a half after the armistice, was about 5,700,000. Of course a different situation exists now than existed then. As the Senator from West Virginia has already pointed out, there are 65,000,000 individuals employed at this time, largely in connection with the war effort, and we are furnishing war materials for our allies, and supplies for many other nations. During the last war we were servicing only a part of the world. What particularly strikes me is that so many persons believe that everyone is going to be unemployed after this war.

Mr. KILGORE. I wish to thank the able Senator from Pennsylvania for his contribution. What he has spoken of is something to which I now wish to refer. A pessimistic view has been advanced on the floor of the Senate; it has been suggested that from twenty-five to thirty million persons are deliberately going to refuse to work, or that there is not going to be any work for them to do, and that we are going to have to carry them for 2 or 3 years. I contend that, if business and Government will cooperate, and if we maintain the spending power, not a lavish spending power but a reasonable living and spending power within the hands of the consumer—because the consumer eventually pays all taxes anyway, as the Senator well knows from his experience as Secretary of Labor—we will not have this blue picture. But if we take a great number of individuals and put them on the bread lines and the apple lines by reason of inadequate benefits paid them, and if industry does not immediately cooperate, the results will be bad.

In our contract-termination legislation we provided no special incentive to industry to cooperate. Only this morning newspapers carried the statement that, due to curtailment, some 300,000 persons, as I recall, would be cut off from work in the automobile industry within the next few months; in fact, a large cut-off was being made, I believe this week, in certain plants. If that takes place, but if at the same time means are provided to maintain buying power for the necessities of life within the hands of the American worker—not buying power such as may be provided in one State of the Union where the payment to an individual of 50 cents a week is considered to be unemployment compensation; not buying power of that kind but buying power sufficient to support a family and enable a person to go through the period of unemployment—and if we

encourage our industry to get under way and keep trade going, then there is no reason for pessimism.

I am not pessimistic, although, of course, there will be some unemployment. Let us get down to the crux of the situation, I suggest to the Senator from Pennsylvania; the post-war wage and living scale is the crux of all the argument. Let us get down to that one point.

Mr. DAVIS. What particularly struck me was the statement made by the distinguished Senator from West Virginia about the General Motors Corporation having \$450,000,000 in reserve. What is that compared to the capitalization of General Motors Corporation? I have forgotten what its capitalization is, but I think the capital structure of that corporation runs into a billion dollars or more.

Mr. KILGORE. I do not know. Before the war it was \$600,000,000.

Mr. DAVIS. That is little enough for so tremendous a corporation to carry on with after the war.

Mr. KILGORE. Plus the reserves. I was discussing the carry-back carry-over feature. I feel that the Senate would do well to consider this over-all problem, not on the theory that John Jones is going to come back and refuse to work, but on the theory that John Jones wants relief until he does obtain work, and he does not want it in the bread line, and he does not want to have to wait 2 or 3 weeks, as is required in some States, because he does not have the money to carry him over. I think we must consider the question along that line, and look at this bill as a real bill properly to take care of the unemployed.

Back in the early days after the last war, when the first slump hit us, as the able Senator from Pennsylvania will remember, there was an expression to the effect that if we got money up to the top it would trickle down. We also tried that with respect to R. F. C. in its earliest stages. We put millions of dollars into railroads so they could pay off bonds due to J. P. Morgan. If we try to adopt such a system of putting the money at the top so it may trickle down, we will find it will not work. We will find as we always do, that the spending of money comes from the consumer, from the grass roots.

Mr. DAVIS. The money, however, must come from those who actually work, and not from those who are idle. We have had a great deal of experience with the spending program. We have found that such a program did not bring about prosperity. Men must have jobs and work in order to supply the money that is needed. The essential thing is that men be given employment. That is what we ought to talk about.

Mr. KILGORE. That is what we ought to talk about, but we have to keep them living until the industrial plants are converted. A plant cannot be converted overnight. It takes from 3 to 6 months to convert a plant, and the purpose of the bill is to provide for the interim.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KILGORE. I was about to yield the floor. Does the Senator wish to have the floor?

Mr. TYDINGS. No; I wish to reiterate my question of some time ago. If a man has \$800 saved up in bank, for example, would he get unemployment compensation the same as a man who has nothing?

Mr. KILGORE. I may reply to the Senator from Maryland by saying that now, under the Maryland law, such an individual receives unemployment compensation. If he has \$10,000 in the bank he still draws unemployment compensation, because the fund from which he draws it is a fund which has been built up to pay him unemployment compensation.

Mr. TYDINGS. I did not ask the Senator from West Virginia about the Maryland law. I am familiar with the Maryland law. But I should like to ask the Senator whether under his bill an individual would receive compensation of \$35 a week, even if he had ample funds in bank.

Mr. KILGORE. Certainly, if he were unemployed and could not be employed.

Mr. TYDINGS. How long could he receive unemployment compensation under the Senator's bill even if he had funds in bank?

Mr. KILGORE. Even if he had funds in bank he could receive unemployment compensation for 2 years.

Mr. TYDINGS. And that would be regardless of whether he had \$200 or \$5,000 in bank?

Mr. KILGORE. Or had nothing, and most of them have nothing.

Mr. TYDINGS. Then, the bill is not built on the theory that the individual is unemployed and cannot get a job and has no income?

Mr. KILGORE. The bill is built not on the theory of relief, which is the Senator's theory, that is that a man would have to exhaust all his resources, even sell his home, before he could receive a cent to live on. No; it is built on the theory of unemployment compensation.

Mr. TYDINGS. Assuming that the period of the depression visualized lasts for 2 years, what would be the Senator's estimate of the total cost to the Government, maximum and minimum? I ask only for an estimate.

Mr. KILGORE. Is the Senator from Maryland taking into consideration as a basis for that question his belief that the plants of the United States are going to shut down for 2 years and make no attempt at reconversion?

Mr. TYDINGS. That would be the darkest view.

Mr. KILGORE. Let me say to the Senator from Maryland that if that happens, without the bill we shall have no Nation. With the bill, of course, our credit will be sadly impaired; but the Senator realizes, and I realize, that if we should have a depression of 2 years' duration, with every plant in the Nation shut down, we would have no Government in Washington.

Mr. TYDINGS. Of course, I realize that that is not going to happen; but what my question is intended to obtain from the Senator is his opinion as to

how much this bill is likely to cost in 2 years?

Mr. KILGORE. I should say that it would not cost any more than the \$28,000,000,000 which it would cost to take care of the corporations, if the same conditions should apply.

Mr. TYDINGS. Then, am I safe in assuming that the Senator feels that in 2 years the cost may be \$28,000,000,000?

Mr. KILGORE. I should say "No." I have not the figures. In my gloomiest moments I cannot conceive of American workers, American industry, and American Government permitting a condition like that to exist for a period longer than 90 days.

Mr. TYDINGS. Let me ask the Senator what he assumes it is likely to cost. Of course it is only an estimate.

Mr. KILGORE. Such judgments are all estimates. Estimates as high as \$24,000,000,000 have been made. Estimates considerably less than that have been made by the Social Security Board. I do not have them before me, but I will gladly furnish them to the Senator.

Mr. TYDINGS. Does the Senator feel that as we visualize and try to estimate the future, as much as \$20,000,000,000 may be necessary in 2 years?

Mr. KILGORE. Not even according to the most pessimistic estimates of the social-security agency could we anticipate such a cost.

Mr. TYDINGS. What was the answer?

Mr. KILGORE. I say, not even according to the most pessimistic estimates of the social-security agency.

Mr. TYDINGS. What is the most pessimistic estimate, in dollars?

Mr. KILGORE. I do not remember. I believe the Senator from Georgia [Mr. GEORGE] read those figures to us a short time ago. I think those estimates contemplate \$6,000,000,000 the first year after the collapse of Germany, approximately double that sum the year following the collapse of Japan, and then a tapering off, as fast as we can convert.

Mr. TYDINGS. The Senator visualizes that in a period of depression, when his bill would come into play, even though men had money, they would be entitled to the relief provided by the bill. That would not apply to the farmer, would it?

Mr. KILGORE. No; because we gave the farmer floor prices for his products, to hold good for 2 years. The main asset the farmer has in the bill, as was well expressed to me by some farm leaders the other day, is the continued buying ability of 100 percent of the American people, which will maintain the farmer's floor prices and give him the relief which he seeks.

Mr. TYDINGS. But under the terms of the bill the farmer would receive no weekly or monthly benefits directly, would he?

Mr. KILGORE. No, because he is self-employed. It must also be remembered that he is largely self-sustaining by reason of the produce of his farm. His cash expenditures are not so great as those of the industrial worker, who must buy everything he eats, wears, and burns, and who usually pays rent for the roof under which he sleeps.

Mr. TYDINGS. What other classes would be left out of the bill besides the farmer?

Mr. KILGORE. Domestic servants, employees of clubs, canteens, and so forth. All types of self-employed people are left out. I believe all others are included.

Mr. TYDINGS. Is it contemplated that any of the money derived from any of the Defense bond issues will be available to pay these benefits?

Mr. KILGORE. No. The money would be appropriated from such money as might be in the Treasury. We have had to borrow money in the past to take care of such situations, and we shall have to borrow it in the future. When the Senator speaks of the savings of the average worker, does he realize that, according to statements made to me by bankers, the only savings which the worker has are what he has tied up in bonds? He is going to sell those bonds. After the last war I was with troops, and I well remember when the agents of banking companies were buying bonds from soldiers at 60 cents on the dollar. The situation became so bad at that time that the War Department issued an order forbidding an officer of the Army to buy a bond from an enlisted man. The Senator well remembers that situation. The bonds will be sold, which means that under the present law they will have to be redeemed by the Treasury, and a new bond issue will have to be floated.

Mr. TYDINGS. The Senator from Maryland knows about that. He was a soldier, and had some bonds. He sold them for less than par. The Senator is not telling me anything new, but that is not what we are talking about. What I should like to know specifically is where the money is coming from, and how the Government is to raise the money to finance a \$10,000,000,000 or \$12,000,000,000 unemployment compensation act. For the moment I am not taking any position of opposition to the bill. I merely wish to know where the money is to come from.

Mr. KILGORE. In all probability it will come from the same place as the money which will be necessary to carry on the Government and various other activities during the carry-back or carry-over period, when we take care of the corporations.

Mr. TYDINGS. Let us leave the corporations out.

Mr. KILGORE. That is just the trouble—

Mr. TYDINGS. The money which the corporations are receiving is not taken directly out of the Treasury, as I understand. In this case the money would be taken directly out of the Treasury. Therefore, it must be put into the Treasury in some way before it can be taken out.

Mr. KILGORE. That is correct.

Mr. TYDINGS. What I wish to know is, how are we to get it into the Treasury? Is it there now?

Mr. KILGORE. No. I think the answer to that question is obvious, as the Senator well knows.

Mr. TYDINGS. I should like to know how the Senator thinks we are to raise

the money. Shall we vote a bond issue for unemployment relief? How shall we raise the \$12,000,000,000 which we are to use for this purpose?

Mr. KILGORE. We shall raise it in exactly the same way that we are going to raise the money to take care of contract termination and various other things.

Mr. TYDINGS. How is that?

Mr. KILGORE. We shall have to raise as much as we can by taxation, and we shall have to borrow the remainder. That is a part of the war. It is the convalescent period of the war.

Mr. TYDINGS. Is it proposed to levy new taxes as a means of raising the money to finance this operation?

Mr. KILGORE. I believe the Senator knows that we have scraped the bin so far as new taxes are concerned; but there may be a few more that we could devise.

Mr. TYDINGS. Let me say to the Senator that my concern is not the result of callousness to unemployment. I have no desire to have people who are out of work go hungry, lose their homes, or fail to provide for their families. I am just as keenly interested in that problem as is anyone else. But with the debt approaching \$300,000,000,000, and without the funds in the Treasury, I am concerned over whether it is proposed to superimpose on the war debt further debts in the post-war period. I ask that question very deliberately, and in no contentious spirit. Many finely devised plans for the benefit of humanity may be pricked by the pin of reality, and in the end we may bring down on the shoulders of the country a depression which a little sounder approach to our fiscal problems as we go along might avert. In that contingency the working man might be better off if we were to make a little more realistic approach to the question of how we are to pay for this operation, rather than merely to pass a bill appropriating money, when there is not a nickel in the Treasury to finance the bill at the time we pass it.

If we keep on, as Italy did for 44 of her 66 years of modern existence up to 1925—financing her government on deficits—and as Germany has done ever since 1898, and as most of the other countries of Europe that are going bankrupt have done, even a rich country like the United States of America may some day find that all the fine, humanitarian programs which it has worked out without thought of how they are to be paid for or their ultimate ramifications on the business life of the Nation may do the workingman more immediate harm than a sounder and more realistic approach would do. Obviously, in a period of reconversion there is bound to be some unemployment, and a sound and humanitarian government should not be callous to that. But if a man has \$1,000 in bank, I wonder whether the national debt should be run up still further, if he is unemployed for only a short period of time.

Mr. KILGORE. How is it possible to distinguish between taking care of a man in a situation such as that and taking care of persons with little or no savings, unless the matter is put on a strictly re-

lief basis? The Senator must realize that the measure under discussion contemplates the use of some \$6,000,000,000 of funds already built up, and which will increase, now in the possession of the Federal Government, for the use of the States, and such amounts from the Federal Government as may be necessary to bring that amount sufficient to provide for a standard level. Of course, if we are to be realistic, if we are to ask a man to live on unemployment compensation payments of \$10 a week, we must get the cost of farm products and clothing and manufactured products and the salaries of everyone down to the basis of \$10 a week.

Mr. TYDINGS. Mr. President, I ask the Senator to wait for a moment. The Senator oversimplifies the thing, let me interject. We will get farm produce down to where it will not be worth anything, unless the financial structure of the United States Government is kept, at some time, on a sound, honest, and businesslike basis; for in the end a continuation of a policy of borrow and spend, in the face of a debt of \$300,000,000,000, will not only drive down the prices of farm produce but will demoralize, paralyze, and set at naught the whole economic machinery of the Nation.

If we are prepared to tax to put our financial structure on a sound and pay-as-you-go basis at some reasonable time in the post-war period, that is one thing. But I have been a Member of the Senate since 1926, and every year since 1929 the Federal Government has spent more than it has taken in, until we are reaching the point where the national debt now is the equivalent of \$8,500 against every family in America, rich or poor, high or low, black or white. Forsooth, what good does it do a man to give him a dollar in this hand, if eventually that dollar is to be no good or is to be completely taken from him to meet the needs of the Government of the United States?

Mr. KILGORE. Mr. President, I realize the force of what the Senator has said. But the Senator must also realize that there must be a transition period.

Mr. TYDINGS. I agree with that statement.

Mr. KILGORE. Provision must be made for the transition period, unless we are to become a dictatorship—which God forbid.

Mr. TYDINGS. Let us be a little realistic, too. Suppose in peacetime a man was earning \$35 or \$40 a week, let us say, by way of illustration, and suppose in wartime the same man earned \$70 or \$80 a week. Of course, there has been an increase in the cost of living—let us concede that—but the increase in the cost of living—although not in all cases or on the average; I concede that for the sake of this discussion—has not been as much as the increase in the wage scale. In that event these men have been able to save some money.

I do not think we should lose sight of the fact that if a man is unemployed for a relatively short period of time, and is fairly well fixed—if there are such persons—it is highly doubtful whether he should be promised unemployment relief

for a period of 2 years, merely because in some cases other men are unable to provide for themselves and their families out of the emergent, all-time-high wages which have been paid.

Mr. KILGORE. Is it the Senator's contention that a man who has been able to save money during a period of high wages should be penalized, as against a man who "blew" all his earnings?

Mr. TYDINGS. No; it is not.

Mr. KILGORE. Or is it the Senator's contention that a man who has been able to accumulate savings should be penalized as against an unfortunate fellow who could not get any place to live without paying extortionate prices?

Mr. TYDINGS. Does the Senator mean, in asking me that question, that people who made big money and spent it all, knowing that this period of reconversion would come, knowing that it is talked about by the whole Nation, are entitled to largess in the way of Federal grants? I should like to have an answer to that question.

Mr. KILGORE. No. But what is the Senator going to do—take them out and hang them?

Mr. TYDINGS. No; I am not going to take them out and hang them; but I am not going to penalize forever and forever and forever the thrifty workingmen who did lay something by.

Mr. KILGORE. Very well. Then what is the Senator going to do?

Mr. TYDINGS. I am going to read a brief editorial appearing in this morning's Daily News, published in Washington. It is entitled "Another Little Billion Never Did Any Harm":

The Senate is engaged in what may turn out eventually to have been a historic debate—very.

If you find a few years hence that a dollar bill won't buy what it does today—which sometimes seems little enough—you might want to remember this Senate debate. Or you might give some thought right now to the economic miseries of China, where money is in the throes of a printing-press inflation. But that can't happen here, of course. No?

The bill before the Senate has to do with post-war reconversion of industry. The real bone of contention is title III, which deals with unemployment compensation and with the retraining and reemployment of war workers, soldiers, and sailors. Specifically, title III would provide for a dole of up to \$35 a week for the unemployed—indeinitely, or at least for the 2-year duration of the proposed statute—and for free vocational training for "any person" when the work administrator "deems it necessary."

Senator REVERCOMB, of West Virginia, says the unemployment-compensation proposal might cost nearly \$25,000,000,000 a year. Others make lesser estimates, but not little ones.

That is the reason why I asked the Senator, as one of the authors of the bill, what he thought it would cost.

I read further from the editorial:

Well, it's a rich country. Sure. But wait until the boys come home and find that in many cases unemployed ex-servicemen are drawing a smaller dole than unemployed welders. Then you'll see a bonus bill, and it won't be for peanuts. And it will be passed.

And watch the old folks. Senator WILEY, for instance, interrupted the debate to ask if the bill gave any "relief to the aged."

They might be broke, and not be able to buy from the farmers, let me interject, in which case, if all the aged stopped buying, there would be a decrease in the value of farm produce, to use the Senator's own argument, therefore, if we wish to keep up the price of farm produce, in the pending bill we should make some provision for the aged. God knows, if they are so old that they are unable to stand the physical strain of working, I think they are more entitled to our consideration than are almost any other group, because the spirit might be willing, but the flesh be too weak.

I read further from the editorial:

It was explained to him that this was an unemployment measure, without relation to age, but Mr. REVERCOMB said he took it that "other legislation will deal with that." You can see old Dr. Townsend and the others licking their chops.

We don't like the role of alarmist. But we are alarmed.

No currency, even of the richest country in the world, can maintain stability forever, or even a semblance of stability on a steady diet of deficit financing, no matter what we may be told to the contrary by economists of the it's-all-done-with-mirrors school.

The editorial has seemed to me to have a good foundation in old-fashioned American common horse sense, and that is why I asked the Senator where we were to obtain the money, as well as the other questions which I addressed to him.

Mr. KILGORE. I assume the Senator agrees that the editorial is not entirely accurate. I wonder if the Senator realizes that the editorial, in one way, is false. I think it should be pointed out for the benefit of the RECORD that in the bill under discussion it is not contemplated that the veteran shall receive the minimum payments at all times. He shall receive those in the highest brackets at all times.

Mr. TYDINGS. Is it not possible under the bill for some veteran to receive less than some unemployed worker?

Mr. KILGORE. No.

Mr. TYDINGS. What is the minimum which he would receive?

Mr. KILGORE. He would receive the maximum in all categories.

Mr. TYDINGS. How much would that be?

Mr. KILGORE. It would be \$20, \$25, \$30, and \$35, depending on the number of dependents.

Mr. TYDINGS. Suppose there is one man in the family who is working and two members of the family who are not working. Suppose that in another family there are only two members and both of them are not working. What would happen then? The family with a partial income would receive the same amount of money that a family with no income at all would receive. Is that correct?

Mr. KILGORE. Yes; but the latter family would have more mouths to feed.

Mr. TYDINGS. The point I make is that three persons constitute the family.

Mr. KILGORE. And all have worked in the past.

Mr. TYDINGS. Yes; all of them have worked in the past. Now, let us assume that the family next door consists of two members and that neither of them is

working. Both families would receive unemployment payments from the Government, but one family would have a partial income of at least \$40 a week from the working member of the family.

Mr. KILGORE. Yes.

Mr. TYDINGS. Has the Senator been alarmed at all by the fact that all those payments will have to be supplied by new borrowings by the Government, either in the form of a bond issue or the flotation of short-term notes or something of that kind?

Mr. KILGORE. No; because—and the Senator may laugh if he wishes to—it must be realized that if conditions are changed so that it becomes necessary to purchase distress food and supplies, and we proceed according to the theory of the Senator from Maryland for a long-sustained period, under the terms of the George bill or any bill, we shall eventually have people on relief.

Mr. TYDINGS. What will they be on when they are given \$35 a week for 2 years?

Mr. KILGORE. Will the Senator from Maryland allow me to finish?

Mr. TYDINGS. Very well.

Mr. KILGORE. The people will be on relief. It has not been contemplated by the authors of the amendment that industry will not cooperate with the markets which are available. It is thought that with the proper incentive industry will cooperate, but we have done nothing so far under bills which we have already passed to induce the cooperation of industry. We have made arrangements to pay off industry in cash. In the Contract Termination Act we have even excluded the right of the Government to prosecute for gross negligence on the part of Government officials with regard to settling claims against the Government. So we have held forth no particular incentive to the reconversion of industry. We believe that if sustained buying power will offer such incentive, it is necessary to have it if it will get industry back to work in this country in the shortest possible time. That time can be spread over 12 months, or possibly from 3 to 6 months. But it has to be done, or the country will go bankrupt.

Mr. TYDINGS. May I ask the Senator if he believes that after the 2-year period has elapsed all those who are now employed will be reemployed?

Mr. KILGORE. I believe that there will be complete reemployment before the end of the 2-year period. Probably it will be brought about during a short period of time. It will be a sliding proposition. The group which is unemployed this month will be employed within 3 or 4 or 5 months at the most.

Mr. TYDINGS. The Senator has missed my question. We all concede there will be some unemployment.

Mr. KILGORE. Certainly.

Mr. TYDINGS. We all concede that in a certain period of time much of the unemployment will have been absorbed by the reconversion program.

Mr. KILGORE. Yes.

Mr. TYDINGS. My statement was—and I believe the Senator will agree with me—that many of those who are unemployed in the immediate post-war period

will still be unemployed, or on a partial work basis, at the end of 2 years following the end of the war.

Mr. KILGORE. No; I do not believe that.

Mr. TYDINGS. Does the Senator believe that all the great mass of workers will be totally reemployed within 2 years following the end of the war?

Mr. KILGORE. Yes.

Mr. TYDINGS. If we are to return to a \$100,000,000,000 annual business in this country, relying on home consumption for 95 percent of it, and with little world trade—

Mr. KILGORE. In what years did we do that much business?

Mr. TYDINGS. I say, if we are to return to it. At one time we did a \$70,000,000,000 annual business and, as the Senator well remembers, we had 5,000,000 unemployed at that time.

Mr. KILGORE. That is correct. If we return to a \$100,000,000,000 business, under the estimates furnished we are bound to have many unemployed persons in the country, who will become a burden on the taxpayers. And who are the taxpayers? They are the consumers. The Senator has practiced corporation law long enough to know that taxes and all related matters are considered in the cost of operation. So the consumers are the taxpayers. But, if we can—and we should be able to do so with the help of business from foreign countries in which industry has been wrecked—we should place ourselves in a position to go into a higher bracket of total business. Of course, if we adopt the idea that we are to have 5,000,000, 10,000,000, or even 15,000,000 unemployed all the time, we will have them. But, if we do not adopt such an idea and go out after world markets, as did Pitt in the days of the Napoleonic wars, we will not have a large number of unemployed persons in this country. We will have all our employables employed, as did England.

Mr. TYDINGS. The Senator said, when I rose to address him, that he was yielding the floor. I do not wish to ask him any further questions, but I should like to speak for about 5 minutes.

Mr. KILGORE. I yield the floor to the Senator from Maryland.

Mr. AUSTIN addressed the Chair.

The VICE PRESIDENT. The Senator from Vermont has been standing for some time.

Mr. TYDINGS. I yield to the Senator from Vermont.

Mr. AUSTIN. Mr. President, I have been very much interested in the questions asked by the Senator from Maryland. The parliamentary procedure may not have been correct, or well observed by a Senator who has been a Member of the Senate for a long time, but the effectiveness of his argument on the right side of the question assuaged my feelings regarding the cut-in. If I may have the floor within 5 minutes I shall appreciate the courtesy. I think I am entitled to it under all the circumstances.

Mr. TYDINGS. I think the Senator from Vermont was well within the customary courtesy of the Senate, and I

have no disposition to inject myself ahead of his request except for the fact that the debate between the Senator from West Virginia and myself has left some loose ends which, for about 5 minutes, I should like to try to tie up rather than leave in the air. Only for that reason was I anxious to elaborate what I was saying.

Mr. AUSTIN. I thank the Senator from Maryland. I shall be very much interested in hearing his remarks. I think that now is the proper time for him to make them.

Mr. TYDINGS. I thank the Senator. I shall not take very long.

Mr. President, no sensible or sane man could help realizing the tremendous problem confronting the Nation in converting from a wartime to a peacetime economy. No one would for a moment want to withhold his support to any sound reasonable program which would tide over the workingman, who in most cases has done a fine job, until reconversion is a fait accompli.

I do not rise to oppose, in principle, unemployment compensation or payments; I rise to oppose the lackadaisical inconsidered, visionary, and rather and unthought-through aspect of this whole program. It occurs to me that Members of this body have not yet remotely visualized what a national debt of \$300,000,000,000 will mean when the impulse of patriotism and sacrifice and wartime give and take are diminished if not altogether nonexistent in the post-war period. People will sacrifice and bear any hardship while men are dying on the battlefield, but when the war is over they will want to go back to something like a more or less liberal—and I used the word "liberal" in its proper sense—aspect of government, rather than to live under the regimentation and direction which wartime makes necessary.

Here is our Government with a \$300,000,000 debt, by the time we take up the loose ends, provide for relief here and there, conclude war contracts, and what not, and, as I said a moment ago, that is roughly a debt of about \$8,500, on the average, against every family in America. That was a part of the war; that was understandable. There was waste; there was inefficiency, perhaps, here and there; but it was a big undertaking; it had to be done; and it was done as quickly as perhaps it could be done.

Now that the war is coming to an end, are we, even before the last shot is fired, going to continue down the road to a \$400,000,000,000 national debt, and do it under the guise of giving the hand of help to the farmer or the workman or anybody else in this Republic? What we are doing is simply burying a cannon in a bouquet of orchids—and a loaded cannon at that—for the workingman will be permanently out of work unless agriculture and industry can live, and, of course, conversely, industry and agriculture will be out of business unless the workingman can live.

So the problem of Congress as we come to the post-war period is to determine sooner or later whether in the post-war period we are going to proceed on a pay-

as-you-go basis or whether we are going to start the printing presses, because from \$15,000,000,000 to \$20,000,000,000 of bond issues cannot be sold in a post-war period in a country that already has a \$300,000,000,000 national debt, and, if that cannot be done, resort can be had to the Federal Reserve, which is only a genteel way and an obscure way of printing money, just as other countries have done.

What concerns me is that no one has seemed to stress the fact at any length that none of the funds which are going to be dealt out are in hand. It is said that we will not have a new bond issue to raise the money. There is a vague talk about new taxes, which every man in his right mind knows are not going to be enacted into law. There is vague talk of such things while 10,000,000 men, while I am standing here, are on the battlefield, some of them dying and all of them offering to die, but those who survive entertaining the thought and the hope that they are coming back to a solvent United States of America, the land of opportunity, the land of sound and sane government.

I was interested in reading not long ago the modern history of Italy. In the 66 years of its existence up to 1925, for 45 years the Italian Government was operated by deficit financing. Finally the evil day was put off until it could no longer be put off, and taxation had to be levied. The Italian people then awakened to the sad fact that, in proportion to their income, they were the most heavily taxed nation on the face of the earth. In a move to resist taxes, communism sprang up; business organized into a separate group, and out of that situation Benito Mussolini walked onto the stage of Italy. Whatever benefits were temporarily gained by deficit financing in Italy, which more than any other one thing brought Mussolini to power, were lost a thousand-million-fold by the blood and the tears and the sacrifices and the squandering of wealth which was the last chapter of the sad story of modern Italy. The same thing is true of Germany, but I shall not go into the details.

Now this country, which prior to a few years ago never knew of a national debt of more than \$25,000,000,000, has already reached the point of having a national debt of nearly \$300,000,000,000, and already where one spigot was running other augers are boring into the barrel of our national wealth still further to drain it out faster and faster.

I do not know how many of us will be here during the next 6 years, but mark this prophecy and mark it well: By continued deficit spending, carried over to a long period of time in the post-war period, we are laying the foundation for a depression which could conceivably make 1929 to 1934 look like Coolidge prosperity. We have either got to pay back the money which the Nation owes or stabilize and keep the debt in good standing or repudiate it.

Then, too, we are forgetful that this will be an impoverished and ruined world. England, Germany, France, and many other countries will have not only

tremendous reconstruction problems, but they will not have the basic financial wealth on which to resuscitate and rehabilitate their post-war economies. Therefore, we cannot hope to enjoy the wide measure of trade and get all the markets we hear described without providing some way by which the people of other nations may buy, either by credit or by lowering our tariffs so far that they may sell their goods in our own markets.

I shall not enter into an extensive discussion of the post-war economies which are right at our doorstep, except to sound a note of warning. I say unemployment benefits in the post-war period for the worker can be justified as sound and proper, and I shall support any good bill that will accomplish that result. But largess, taking billions and billions and billions of dollars more of money that we have not, is nothing but sheer demagoguery, and I say that with no spirit of personal offense to anyone. It is leading people to believe we are doing something for them, which we are doing temporarily but which in the end will take from them many times the immediate benefits provided by any law which is to be administered on deficit financing.

So, Mr. President, my plea here today, in a word, is simply that the time has come, if we are to keep faith with all the elements which have served in this hour of danger, for Congress to provide so that from now on, in the post-war period, certainly within a year after the war is over, we shall appropriate no money that we have not or are not willing to raise by additional taxation. We are reaching the danger point, and bills which do not envisage that fact are only deceiving the people and threatening to wreak great harm on the great masses of the workers of the Nation.

Mr. CAPPER. Mr. President, I cannot support the so-called Kilgore-Murray bill, offered as an amendment to the so-called George bill. More than that, if the measure should become law, I do not see how the country could support the costs of such legislation.

What the people of the United States want and need when the war is over is the opportunity to work, either as employees or for themselves.

It seems to me the philosophy of this proposal is not so much to provide employment as to encourage unemployment.

But, above and beyond the staggering sums proposed to be expended, there are other features of the measure which I cannot approve. As originally drawn—and I doubt if the amendments offered by the Senator from Montana [Mr. MURRAY] cure the evil—the measure would replace the State systems of unemployment compensation with a Federal system of supporting—in some cases, I fear, encouraging—unemployment at Government expense.

Moreover, it seems to me that the charge made by Mr. Ed A. O'Neal, head of the American Farm Bureau Federation, that the measure would create a new bureau with dictatorial powers, has considerable justification.

The objectives named in the Kilgore-Murray measure are broad and sweep-

ing. The powers proposed in order to attain those objectives are even more broad and sweeping. The bill is a dangerous bill, as Mr. O'Neal says. What powers the Work Administrator would have to set aside any Government program conflicting, in his view, with the objectives he would be instructed to attain, no one can be sure.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter from Mr. O'Neal, president of the American Farm Bureau Federation, stating why American agriculture is opposed to the Kilgore-Murray proposal.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., August 9, 1944.

HON. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR CAPPER: The American Farm Bureau Federation recognizes the importance of the enactment of appropriate legislation at an early date to cope with the difficult, complex problems of reconversion and post-war readjustments.

We are strongly opposed to the proposed legislation contained in the Murray-Kilgore bill (S. 2061), which is now before the Senate as amendments to S. 2051. The Murray-Kilgore bill would create another Federal bureaucracy with virtually dictatorial powers.

Acting under a broad mandate to develop "unified plans and projects and adequate machinery" to achieve such sweeping, far-reaching objectives as "full employment," "rising standards of living," and "effective utilization of the Nation's resources," the Director is empowered to issue directives on policies, plans, and operations to other Government agencies as may be necessary to carry out these objectives; and he is given authority to direct any Government agencies to rescind, modify, or amend any rule, regulation, or order whenever he determines it "prevents or hinders full employment and is not required for the purpose of insuring production for war purposes." These objectives and powers are so broad that they could be construed to cover almost any type of national program. Conceivably, the Director could suspend or modify any phase of national agricultural programs, including support price guaranties, despite existing statutory provisions.

We believe that such vast delegation of power in one man is not only unnecessary, but extremely dangerous to the preservation of our democratic form of government.

The position of the federation with respect to the handling of reconversion problems is set forth in the following resolution, adopted by our board of directors at its meeting on March 3, 1944:

"We commend both the Baruch-Hancock report and the report of the George committee for taking progressive steps on a definite post-war demobilization plan.

"We favor the broad principles set forth in the George-Murray bill, S. 1730. However, in the interest of democratic procedure, we believe that the proposed national demobilization board should constitute the policy-determining body, over rather than under, the director, and should therefore be appointed by the President and confirmed by the Senate. Further, we believe that representatives of agriculture, industry, and labor should be included in the membership of this board.

"In view of the certainty that the food emergency will continue after the end of the war, we vigorously recommend that farmers be given priority in obtaining surplus ma-

terials and equipment needed for production as long as the necessity for abnormal food production continues.

"We also believe that the disposal of surplus agricultural products should be assigned by the board to the War Food Administrator; and that the disposal of any manufactured goods, housing, equipment, etc., which can be used advantageously by farmers, be handled in such a way as to assure farmers of equal opportunity with others to purchase such materials."

We therefore urge your opposition to the Murray-Kilgore bill, and your support of the principles contained in the George bill (S. 1730) for reconversion, but with the following proposed amendments, which we strongly support:

That a national bipartisan demobilization board of seven members, including representatives of agriculture, labor, and industry, appointed by the President and confirmed by the Senate, be created; this board to be a policy-determining board to formulate policies and to guide programs for reconversion, and to be over the director, instead of an advisory board to the director;

That the disposal of surplus agricultural products be assigned to the War Food Administrator, and to be handled so as to prevent such surpluses from breaking the prices for agricultural products;

That farmers and farmers' cooperative associations be given priority in obtaining surplus materials and equipment needed for production; and that they be given equal opportunity with others in the purchases of other surplus war materials which can be used advantageously by farmers; and

That original owners of surplus Government farm land be given first opportunity to repurchase such land, at the original sales price, adjusted for damage or improvements.

Hoping that these recommendations will meet with your approval, I am,

Sincerely yours,

EDW. A. O'NEAL,
President.

Mr. AUSTIN obtained the floor.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Vermont yield to the Senator from Kentucky?

Mr. AUSTIN. I yield.

Mr. BARKLEY. I wish to renew my effort to secure an order for limitation of debate during the further consideration of the pending measure, and to that end I ask unanimous consent that during the further consideration of the bill no Senator shall speak more than once or longer than 30 minutes on the bill or any amendment thereto or substitute therefor, or any motion connected therewith.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. AUSTIN. What is the length of time?

The PRESIDING OFFICER. Thirty minutes on the bill and any amendment.

Mr. AUSTIN. I have no objection.

The PRESIDING OFFICER. Without objection, the request is agreed to.

Mr. AUSTIN. Mr. President, I support the George amendment. I do so partly because it represents the views of experts on the two very important subjects which confront the Nation, namely, the prosecution of the war to a speedy victory, and conversion to peace, which goes on all the time, and which will have a sudden access of speed when hostilities

cease in Europe. The experts include the Baruch and Hancock committees who made reports, and witnesses who appeared before the George committee and covered all phases of this problem, and, finally, we have the composite judgment of the George committee. Having looked things squarely in the face, the committee, regardless of party alinement in the Senate, made a report on this subject, and the George bill conforms to that report.

Mr. President, I would not take the time of the Senate to make any remarks in a debate which is nearly closing, and which has so fully covered this subject, were it not that I wished to impress certain ideas of difference between the George version of the way to handle these two problems and the Kilgore-Murray version. What I am going to try to do is to point out reasons which should appeal to every Senator why the George amendment should be chosen as against the Kilgore-Murray version of the method of prosecuting the war and of the method of conversion to peace.

I deal with these two subjects with more emphasis in my own mind than I do with the subject of title III, which relates to social security, because I think that we must take first steps first, and the first problem before the United Nations is the problem of speeding up the winning of the war. We must not let down our soldiers at the front. We must not enact legislation which will encourage an increase in the indirect complicity in the war on the side of Germany which goes on in this country without the consciousness of the men who engage in it.

We must hold fast to the objective of supplying the armed forces with what they need at the right time and at the right place. It is a serious reflection upon the Senate that we should be even considering holding out monetary inducements to slacken in the effort at the prosecution of the war. We all know that if we should have a sudden cut-back or cancellation such as in the case of the Brewster cut-back under existing law relating to social security and unemployment compensation, we might now offer 9,000 job opportunities, as were there offered, and not have them accepted.

What are we about to do if we accept the Kilgore-Murray theory as against the George theory here? We are going to increase the monetary inducement not to work and not to furnish the supplies which are necessary. We are going to increase the money payments themselves; we are going to lengthen the time of eligibility of men and women to obtain the payments, and we are going to make it rosy and attractive for people who are forced out of industry by a cut-back to remain unemployed, and not respond to the demand of patriotism and the crying need for manpower to go to other places where there are critical shortages, and help to supply B-29's and B-32's.

This morning's press carries the information of critical shortages on the battle front. I shall read from the Baltimore Sun of August 11 a portion of an ar-

ticle which applies to what I have to say:

EVIDENCE OF SHORTAGES

Paul V. McNutt, manpower chairman, said that Lt. Gen. Brehon B. Somervell, head of the Army Service Forces, has presented to the W. M. C. concrete evidence of battlefield shortages in the form of telegrams from field commanders.

Somervell said "on the whole" the Army is in fine shape with respect to supplies, but those that are short are critical and are affecting the fighting.

Shortly afterward McNutt announced the new instructions to W. M. C. personnel. The Byrnes directive was designed to wipe out military shortages by more effectively channeling workers into the critical programs such as heavy trucks, tires, ammunition, tanks, and radar.

We know, furthermore, that what we need today, on account of the rapidly shifting strategy of the war, is cut-back on lighter airplanes and increase in the output of Superfortresses.

I continue to read:

WIDER USE OF CEILINGS

He ordered a wider use of the "employment ceiling" principle, limiting the number of workers in less essential plants. He also gave the W. M. C. authority to prevent the reconversion of plants to civilian production.

McNutt said General Somervell reported that one general had to call off 100 air missions because he didn't have the right type of bombs. Another telegram said 3,500 heavy trucks had to be abandoned because, said Somervell, "he can't keep them up any longer and they had to be replaced."

In another theater of war, 4-ton dump trucks are badly needed, and Somervell said, "we had to tell the general that we couldn't furnish him with the 4-ton dump trucks that he wanted, because we don't have them."

What is the philosophy of the Kilgore-Murray bill? Turn to section 309 (a) and we get the heart of it. The philosophy is not that of duty, of obligation of every competent person to serve his country according to his ability and according to his strength in time of war such as this, but just the opposite of it. There we find in the Murray-Kilgore bill the declaration of attitude toward the war:

Every unemployed qualified employee * * * shall be entitled * * * to placement in suitable employment.

Think of that. Instead of declaring as a policy of Government; as a policy to which the people of this country have subscribed by every single poll which has been taken up to this time, that every competent person between certain ages shall be liable to contribute by personal service to the war effort in a noncombatant capacity according to his or her abilities, in time of war, at the most critical time of the war, when we are just striking our pace, just hitting our stride, and when shortages are occurring on the battlefields, we make this "softy" declaration—

Every man is entitled to a job.

Not only that—

A suitable job.

Mind you, Mr. President, that does not mean adapted to the demands of a country at war when she should have her

loins girded, and all her citizens fighting for her and with her and demanding of their representatives in Congress as a policy that every able-bodied citizen is liable to contribute according to his ability to the war effort. Instead of that we have here a policy exactly the opposite:

Every unemployed qualified employee . . . shall be entitled . . . to placement in suitable employment.

How can we win a war if we make such a declaration in the law of the United States and encourage the people of the United States to live according to that policy? That is one reason why every Senator should favor the George amendment to this bill. The presence in the Murray-Kilgore bill of that policy should be condemned by a great Republic such as ours, whose very life is at stake, at a time when we are just beginning to need the full strength of our productive capacity.

The Murray-Kilgore bill as well as the George bill says:

The Congress hereby declares that the objectives of this act are—

(a) to facilitate maximum war production during the war and to expedite the transition from war to peace.

We all say that. Both bills also say:

(b) to achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of transition from war to peace, and thereafter; and

(c) to provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

We agree on that, but, after that, all else in the two bills is conflicting in principle and in policy. The Murray-Kilgore bill begins by setting up this machinery in titles I and II. It establishes a double-headed organization. There are so many demerits in that type of organization that I made an effort to have titles I and II considered separately and apart from title III. I had an idea that if we could consider titles I and II, without the complex problems and very strenuous objections which title III raised, perhaps we could come to an agreement, because the objectives were the same, as I have read them. All parties agreed on those objectives. The first objective was the prosecution of the war—"to facilitate maximum war production." Having that patriotic object in view, men ought not to quibble and quarrel over the means.

But the proponents of the bill would not separate title III from titles I and II. So we were dragged along with insistence upon a type of bill which still has in it, despite all the amendments which have been made to it, ingredients of the old National Industrial Recovery Act, by which industry and enterprise in this country were hampered. There were snoopers for every factory. Rules and regulations were laid down. The entire life of the community was grasped in the firm hand of bureaucracy until the Supreme Court struck that hand down by declaring the act unconstitutional.

Now we have a scheme for a double-headed organization. Whom is the bill designed to place in the bureau? The Murray-Kilgore bill would create an

office of deputy director, with a salary of \$10,000. Probably the proposed organization would be like the old combination of Knudsen and Hillman; and if it were to work even approximately as badly as that one did, we should have a slow-down in production, as against the existing velocity of output for the prosecution of the war. Let me remind Senators that the George bill would not establish a deputy director. In that regard the George bill is so far superior to the Kilgore bill that I think on that ground Senators should support the George amendment.

The Kilgore bill goes into every community and creates something which has never existed before, except to the extent to which we found its counterpart in N. R. A. I refer to the local councils. The bill would create not merely local councils, based upon the theory of the types of industry involved, but it would create area councils. No one knows what the definitions of the areas would be.

I wish to invite attention to a single page of testimony, the only one to which I shall refer. It relates to the matter of the area and local councils which are provided for in the much-amended Kilgore bill. I turn to page 697 of the hearings before the Senate Committee on Military Affairs. I was examining General Clay, who has charge of this subject at the present time.

Senator AUSTIN. Have you any way of estimating the number of the different councils which would have to be set up in the different areas under such a provision as this?

General CLAY. Well, it is my understanding that the War Production Board now has several hundred industry advisory councils. I presume it would follow the established pattern with respect to such councils. Of course, the geographic areas will be quite a problem, because our procurement districts cover different geographic areas from those of any other procurement agency, and you would have a considerable overlapping even with respect to our own procurement agencies. There are no geographic areas which you could set up that would coincide with procurement areas.

Senator AUSTIN. Now I want to ask you a hypothetical question. Assuming, as we did assume in the discussion yesterday, a motor-car industry, and assuming that there were established the industry advisory councils for that industry, and area advisory councils for various geographic areas of that industry, then if you had a problem in Detroit you would be bound by this law to consult, before you established your policies and program affecting the industry, all areas represented by those councils, would you not? I would like to have you tell us what your impression of the effect of the command on you here is. This is a command. It says "shall."

General CLAY. Of course, the broad interpretation of this means you would practically have to, on any major contract, consult any area committee that there was in the United States, because when you go down into your subcontractual field, if you cancel an automobile contract, or change an automobile contract, your subcontracting will extend over a great many areas. That is true of many items. We have just finished the termination proceeding with Allis-Chalmers, for example, in which there were 2,000 subcontracts involved. Those 2,000 subcontracts were scattered over a very wide

area. It would depend, of course, on how many subcontracts there were and how wide the extent of the geographic coverage was of each purchase area, and how many of those contracts would involve consultation if carried to the subcontracting level.

I omit reading the remainder. There is much more, all of which shows that this is a magnificent unfolding of the New Deal theory of bureaucracy. One of the greatest bureaucracies has its matrix in that kind of a bill. The councils would be right on our doorsteps. They would be local. They would belong to the given areas, and business would be under their scrutiny. How long it would be before business would come under their control would depend on how much further Congress may go in these steps toward national socialism. This is a step toward national socialism; and the only question is how willing we are to take another step, and to advance step upon step until we shall have completely acquired the character of a Germany under Hitler.

These committees are not provided for in the George amendment. This method of slowing down the war effort is omitted from the George amendment. The very theory of the George amendment is to accelerate the speed of production, instead of obstructing it and slowing it down. It is also to expedite the transition from war to peace.

But how does it affect reconversion? Here again we are interested in the philosophy of this change. Here we know that in moving out of war factories in which war contracts have been canceled the tools which are designed solely for the production of munitions, the speed with which we can move them out represents the speed with which we can move in the instruments of production for civilian life, the tools of peace. In other words, one of the points of emphasis made throughout the hearings in the committee, which lasted for months, was that time is of the essence in this connection. Such conversion is occurring all the time. It started at the very beginning of the war. It has continued as we note, until last night orders were issued canceling or reducing great contracts having to do with the production of certain types of airplanes, thereby releasing 20,000 men, rendering them idle, but also rendering them available to be transferred to other places where they can serve their country in time of war.

The theory of the George bill, as against the theory of the Kilgore bill, is to speed every one of the transactions incident to conversion, so that our factories may be available for peacetime production when we are done with war production, so that the obstacles to peacetime production may be removed, so that the doors may be opened to peacetime civilian activity at the earliest possible moment. If a factory has no room for the production of essential civilian articles but has all its facilities devoted to the production of munitions or other articles needed in time of war, speed in the conversion process is of the utmost importance. If the matter of speed of conversion to peacetime activities is ignored, a factory having war con-

tracts might be permitted to continue its production of goods under war contracts for an appreciable period of time longer than the need for such production actually existed, thus building up a surplus of such goods during a period of days or weeks of continued production in a factory which should have been closed or converted promptly.

Let us consider the practical difference between the Kilgore bill and the George bill. The Kilgore bill provides that the director cannot work without the advice and consent of the deputy director. If they disagree about some detail, that will slow down the process. But they must consult not only their board, which is a paid organization, but also the other great bureau of area councils and local councils. By the time they get around to deciding that the Allis-Chalmers contract, for example, should be canceled, Allis-Chalmers will have been running, let us say, a week, and will have been turning out an excess or surplus goods, while this monstrous bureau, with its two heads, has been plodding its slow way to a decision.

On the other hand, under the George bill the entire business—policy, execution, all of it—heads right into one director; and speed is of the essence in an organization of that kind. We would not consent for a moment to the establishment of such an organization in peacetime, but in wartime we have found that we must have the capacity to move with the rapidly shifting strategy and the suddenly changing needs and demands for various types of weapons. We must have flexibility. We must be able to change promptly. So in wartime, under the Constitution by which we have the power to do these things, under the George bill, we would vest in a single man, not in two men, the power of decision.

THE PRESIDING OFFICER. The Chair wishes to announce that the Senator's time on the amendment has expired.

Mr. AUSTIN. I thank the Chair. If permitted, I shall proceed on the bill.

THE PRESIDING OFFICER. The Senator is recognized to speak on the bill.

Mr. TYDINGS. Mr. President, will the Senator yield to me long enough to permit me to give him my belated thanks for his courtesy a moment ago?

Mr. AUSTIN. That is wholly unnecessary. I benefited much from the Senator's remarks.

Mr. President, do not let anyone mislead into the belief that the Kilgore bill is not a manpower bill. I am too familiar with the subject not to recognize that the provisions of the bill which are poor substitutes for a national-service act which would create safeguards, lay down standards, and provide the way in which pools of surplus labor might be directed at the proper time to the places of critical shortage. The theory of the Kilgore-Murray bill is to put the screw on, through the pocketbook nerve, and to render ineligible for unemployment compensation payments any worker who does not obey the command to go from one place to another. On the other hand, the Kilgore bill—and this shows

the weakness or hollowness that is in its theory of facilitating maximum production for war—is now proposed to be amended. Its authors have come forward with an amendment, after the bill has been reported from the Committee on Military Affairs, and now say, "Just to prove that this is not a national service act, we are going to amend it so that a worker cannot be disqualified from getting his pay just because he does not obey a transportation order." Mr. President, I read the language of the bill relating to that matter. It is found on page 29 of the last copy of the bill I have received. It reads as follows:

(h) No otherwise qualified employee shall be denied interim placement benefits because of a refusal to make application or accept transportation, training, or education authorized by sections 306 and 307 of this act.

But as to all other things, the worker must obey, or else he may be disqualified to receive the interim placement benefits.

All through the grants of Federal powers which are contained in titles I and II of the Murray-Kilgore bill, relating to the way to facilitate maximum war production, we find the conflict of ideas which is represented by this amendment as against the other provisions of the bill. If a little of the attitude of being reasonable and of being willing to meet the wishes and the views of others had been exercised in the Committee on Military Affairs when the bill was being considered there, the result might have been that a different type of bill would have come from the committee.

We do not find anything at all upon that subject in the George version of this method of increasing production. The assumption of the George bill is that this country has volunteered en masse in the war effort, and that all able-bodied persons who are not engaged in fighting recognize their obligation to serve in the prosecution of the war according to their abilities, and in the support of our soldiers at the front. That is the theory of the George bill. It does not beg the question by declaring that every unemployed person shall be entitled to placement in suitable employment. On the theory that it is the duty of citizens of this Republic to defend it to the utmost of their property and their lives when it is under attack the George bill marches forward with titles I and II, and sets up an organization which would be effective and which would operate smoothly and speedily without the collisions of disagreement which would occur between a director and his deputy director, the latter not having been appointed by the director, but holding his office independently under appointment by the President.

Mr. President, the George bill does not contain provision for any such futility as an enormous bureau of regional or area councils, and local industrial councils, which would hinder and impede the production of munitions of war, and which would slow down the transition from war production to peace production. The George bill assumes that every citi-

zen, recognizing his obligation and his duty, will act according to the instructions of a director who has behind him the law of the land, giving strength and power to his arm. Today, Mr. President, he has it not.

Under directives and Executive orders coercions creep up slyly behind men. Under those conditions do we receive a response of the consent of the governed? No. Many examples of sudden cut-back of contracts resulting in sudden discharge of a number of employees have proved that nothing can be done. Men and women will not go. They know perfectly well that if they do not go there is nothing today that the Government can do about it.

If we pass the George bill, Mr. President, I assert that mobilization will function because it will be the voice of the people speaking through their representatives in Congress, and not a voice which comes down to them from the clouds somewhere without any authority of law behind it. It will not be diffused for the duration of the war and 2 years afterwards. There will be no doubt in the minds of the people as to where the authority rests. It will not be necessary to go shopping all over the numerous bureaus in Washington in order to find out where we should apply to have our rights as citizens considered and finally determined.

For a long time we have needed the legislation represented by the George amendment in titles I and II. There is an opportunity to have them now without running the risk which exists in the theory that the obligation is all on the part of government to the citizen, that government is a sort of Santa Claus, that government owes it to everyone to insure him security, prosperity, and happiness. Such a theory would reverse, in fact, the sound theories upon which we have built up the strongest Nation of men and women in the world. That result has been achieved because we held to a different theory, one diametrically opposed, namely, that of overcoming obstacles, of acquiring what we obtain through the sweat of the brow, through individual effort, individual enterprise and initiative. It is that theory of economy which has made us a strong race and a strong people. If we had started this Nation on the theory declared in the Murray-Kilgore bill, that every unemployed and qualified person would be entitled to placement in suitable employment, how long would the United States be a free Nation and a Republic? That theory strikes at the vitals of the Republic. That theory, if put into practice, would kill the Republic. In the first place, it would bankrupt it financially; but, worse than that, it would make of it a moral wreck.

So I say that we should accept the George amendment and adopt it by such a large majority as will emphatically announce to the people of our country and of all the world that we adhere to those fundamental principles which have made this country a great, free Republic, strong and mighty, able to go forth and fight for freedom anywhere in the world, and to announce further that

we have not abandoned under any kind of temptation the ideals which call for sacrifice, determination to work, and the will to fulfill the pledge of "our lives, our fortunes, and our sacred honor."

Mr. DOWNEY obtained the floor.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. TUNNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Green	Revercomb
Andrews	Guffey	Reynolds
Austin	Gurney	Robertson
Bankhead	Hatch	Russell
Barkley	Hawkes	Scrugham
Brewster	Hayden	Shipstead
Brooks	Hill	Stewart
Buck	Jackson	Taft
Burton	Johnson, Calif.	Thomas, Utah
Butler	Johnson, Colo.	Tobey
Byrd	Kilgore	Truman
Capper	Langer	Tunnell
Caraway	McClellan	Tydings
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Danaher	Millikin	Weeks
Davis	Moore	Wherry
Downey	Murray	White
Eastland	O'Daniel	Wiley
Ellender	O'Mahoney	Willis
Ferguson	Overton	Willson
George	Pepper	
Gerry	Racliffe	

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present. The Senator from California has the floor.

Mr. DOWNEY. Mr. President, I had not intended to present any argument on the pending measure, but, in view of the wide range of the discussion and the momentous importance of the issues involved, I feel that I would be derelict in my duty if I did not present upon this floor certain of my own ideas concerning the pending bill and the general state of the Nation.

I wish to say, in the first place, that I am certain that every Senator who has addressed the Senate has spoken his sincere and honest convictions; I have not the slightest doubt that the sentiments here being expressed, come honestly from the minds and hearts of the men who are expressing them. Upon this particular measure I find myself generally out of step with the distinguished Senators from the South; but I understand the reasonableness of their viewpoint; I know they are sincere, and, indeed, I am willing to assume the possibility that time may vindicate them rather than me.

Nevertheless, Mr. President, I have had a sense of desolation as I have listened to some of the arguments that have proceeded here. I think all of us now know what history will write of American soldiers and sailors in August 1944. Beyond doubt, what our Army and Navy is doing will be recorded in history as a mighty achievement. But I wonder how history will write of this debate and the sentiments that have been uttered here. I wonder how after the passage of a year some of the statements that have been made will be evaluated.

I heard the distinguished senior Senator from Ohio [Mr. TAFT] make a statement upon this floor that rather appalled me, because I know that that statement came from his honest and sincere conviction and I know he is a highly intelligent and an honest man. The Senator stated that he believed the national income would not exceed one hundred and twenty billions in the post-war era. Even though his opinion was discouraging to me I know it is more optimistic than those held by many of the great industrialists and Republican leaders of the Nation. I do not know whether or not the distinguished Senator meant by his statement that the national income would remain static at that amount for an indefinite period, but in any event I desire briefly to analyze his conclusions as the differing views of Senators on the national income in peacetime greatly affect their attitude toward the pending issues.

Mr. President, the workers of America are today developing a national income not of \$120,000,000,000 but \$150,000,000,000. In the last fiscal year the expenditures of the Government alone, if there be included in them the disbursements of the R. F. C., reached almost \$100,000,000,000. But the distinguished Senator from Ohio thinks that when peace is here again and twelve or fifteen million of our youngest and best are restored to our economy, we can produce only \$20,000,000,000 more than is now being spent by the Federal Government. I think the position of the distinguished Senator leads him into a theory so ominous to this country, if it be sound, that we had better prepare for dismal days ahead. For, Mr. President, the present farms and factories and the other productive units of our country are capable of yielding an annual wealth of one hundred and fifty or two hundred billions. Where will we find investment in the future if the present capital units of our country are more than sufficient to support the income that we will produce? Does anyone claim that capitalism can endure without an outlet for the national savings, without the possibility of dynamic expansion? I do not think so.

Mr. President, let us take the greatest American industry of all—steel. We are now producing almost as much steel as all the rest of the world combined—90,000,000 tons—and 90,000,000 tons of steel would support a national income of \$200,000,000,000. If we can operate the income of our Nation at the rate of only \$150,000,000,000, we are going to have 25 percent of our steel capacity idle.

Mr. President, let us take the great automobile manufacturing plants. They are today, or would be 6 months after the war ended, able to produce 25 percent to 50 percent more automobiles than the automobile manufacturers believe they can sell.

Mr. TAFT. Will the Senator yield?

Mr. DOWNEY. Permit me to finish the thought. We have factories for the manufacture of automobiles, which can be readily converted back to civilian production, geared for an income of one hundred and fifty or two hundred billion dollars.

I yield to the Senator from Ohio.

Mr. TAFT. The Senator is well posted on national income. I wonder whether, as a factual basis for this discussion, he can put into the RECORD the figures as to the national income during the thirties and in 1940. Has the Senator those figures?

Mr. DOWNEY. I have the figures in my head.

Mr. TAFT. What was the national income in the year 1939?

Mr. DOWNEY. The national income is variously stated, but it was somewhere around seventy-two billion or seventy-three billion dollars for that year.

Mr. TAFT. It was about \$72,000,000,000 in 1939, when we had fairly well recovered from the depression just before the war. Is that correct?

Mr. DOWNEY. I would not say we had fairly well recovered even in 1939. There were seven or eight million men totally unemployed, and seven or eight million part-time workers. Our industrial and farm plant even then was operating at less than 75 percent of capacity.

Mr. TAFT. However, if we take the figure of \$72,000,000,000 in 1939, it seems to me my estimate for the post-war period of \$120,000,000,000 is a very liberal one, which would assure prosperity for peacetime, which this country has not seen in peacetime certainly since Mr. Roosevelt became President, in 1932.

Mr. DOWNEY. I know the distinguished Senator desires to state all the facts. When Mr. Roosevelt became President the national income had almost dropped out of sight. It was about forty-two or forty-three billion dollars. I am afraid that some of our great industrialists and able public leaders may be as blind to approaching events as were Mr. Hoover and his advisers.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. DOWNEY. First, I should like to read a letter I hold in my hand. On March 7, 1929, I think it was, Mr. Hoover, in his message to Congress, assured the American people that we would have permanent and certain prosperity. At that time I took occasion to write a letter to Mr. Hoover. I do not know whether he ever read it or not; at least, he never answered it. The letter read:

MARCH 8, 1929.

DEAR MR. PRESIDENT: In your recent inaugural address you assure our people that you "have no fears for the future of our country." May I suggest that developing economic trends forecast conditions that will steadily become more hazardous and should be apprehensively viewed by every governmental leader.

It seems apparent that our industrial and farm growth is bringing us to an imbalance between the capital we are accumulating and the capital that can hereafter be utilized in new enterprises. If from now on our vast productive instruments will yield, at full employment, more savings than can be absorbed by business enterprises, then a great financial disaster lies ahead and thereafter a continued depression and widespread unemployment, until we shall have brought savings and new capital requirements into rational balance.

May I respectfully suggest that a commission of economists and business leaders should be immediately created to investigate the economic trends of increasing capital and

decreasing capital outlets so that appropriate and vigorous means may be taken to meet the developing crisis.

Sincerely,

SHERIDAN DOWNEY.

What I desire to point out to the distinguished Senator from Ohio is that it is now universally admitted by all the economists that the depression of 1929 came because in the first 9 months of 1929 we took out of the capitalistic system in savings, corporate and individual, \$22,000,000,000, and returned only \$16,000,000,000 in capital investments, and necessarily \$6,000,000,000 of inventories accumulated, those inventories which had generated those savings which were not spent.

Mr. TAFT. Will the Senator yield?

Mr. DOWNEY. I must yield to the Senator from Maryland first. But I desire to add, the Senator from Ohio is here making a statement, as I understand him, that we cannot hope to maintain the national income from now on at even 65 or 75 percent of what the present capital goods, the railroads, the utilities, the factories, and the farms, are now able to produce. I ask him what hope is there in America of a dynamic, expanding economy if our national income must fall far below what even the present productive instruments can produce? I yield to the Senator from Maryland.

Mr. TYDINGS. I did not wish to interrupt the colloquy between the Senator from California and the Senator from Ohio. My point in rising was to suggest to the Senator from California that the assertion which is so often made, and rarely contradicted, that we have an income of \$150,000,000,000 now, is, on closer examination, found to be true in the larger sense, but not true in the specific sense, for the reason that the income of the Nation must take into consideration the corresponding debt of the Nation. Therefore, if we are spending, governmentally, a hundred billion dollars a year, and are raising only 45 billion, therefore we are going into debt, roughly, about \$50,000,000,000 a year. So that if we subtracted the \$50,000,000,000 from the 150 billion, we would have a hundred billion dollars net income. The other income is totally artificial.

To assume that we now have a hundred billion dollar income as if it were all clear and provided for, in the face of a growing \$50,000,000,000-a-year debt, is, I believe, to assume we have an income which in fact we do not have. We have not had an income of more than a hundred billion dollars a year since the war started.

Mr. DOWNEY. Mr. President, I do wish to yield to questions, and I certainly desire to yield to the distinguished Senator from Ohio, but my time is limited. I will, however, attempt to answer the distinguished Senator from Maryland.

The Senator states that because the Federal Government expended \$50,000,000,000 more than it collected in taxes, therefore, even though we produce \$150,000,000,000 in real wealth, in food, shelter, clothing, munitions, ships, airplanes, that wealth and that income are fic-

titious. Ask Tokyo if the great super-bombers are fictitious. Ask the soldiers in Normandy if our shot and shell are fictitious.

I can certainly agree with the distinguished Senator that we have been able to reach our \$150,000,000,000 of actual production only by deficit financing, and I agree that that is unfortunate. It is strange indeed that in war we have an energy and a power by which we produce at full capacity, while in peace palsy overtakes us.

I wish to say to the distinguished Senator that I may agree with him to a certain extent as to the danger of deficit financing, but whether by deficit financing or not, it is a fact we have turned out in the last fiscal year double the amount of wealth in real goods that we turned out in 1939.

Mr. TAFT. Mr. President—

The PRESIDING OFFICER (Mr. JACKSON in the chair). Does the Senator from California yield to the Senator from Ohio?

Mr. DOWNEY. I yield.

Mr. TAFT. If in 3 or 4 years after the war we have an average annual income in peacetime of \$120,000,000,000, that is an expanding economy which is about 40 percent bigger than we have ever had in time of peace, and I think we would be very fortunate if we could get a real income of \$120,000,000,000. Today it is all very well to say that we are producing \$150,000,000,000, but half of it is being given away or shot away, and does not in any way go into the standard of living of the people. A national income of \$120,000,000,000 in peacetime would increase by 50 percent, practically, the actual present standard of living of the people of the United States. I wish to say that if we can get a national income of \$120,000,000,000, we will be lucky, and we will have an exceedingly prosperous America, from which we can go on perhaps 10 years later to reach the goal sought by the Senator from California.

Mr. DOWNEY. Mr. President, I cannot agree with the Senator. I hope we will be able to maintain a free economy, but I do not believe anyone can hope to pass laws to protect and develop that economy unless he understands the basic mechanism of the capitalistic economy. What is that basic mechanism? Businessmen in producing the goods and the services of the Nation generate the national income or the national purchasing power. This money which we get in the form of wages, salaries, rents, interest, and profits comes from businessmen and farmers in the production of the goods and services of the Nation. I might point out to the distinguished Senator that businessmen, having produced the goods and services, and having paid out the purchasing power, if they would continue in business then have to do a third thing, and that is to sell those goods and services and recapture the purchasing power they themselves have paid out.

But we have another factor in the capitalistic system. Over a long period of time the Nation has yearly saved 20 to 25 percent of the national income. If

we pay out \$120,000,000,000, and \$25,000,000,000 is saved and goes into stagnation almost immediately, all business would go broke. But those savings in the past have been reconverted in building our farms and factories. So long as we can find investment outlet for our savings, very well. Whenever we cannot, we should prepare for trouble. But if we start in with the assumption of a national income of only \$120,000,000,000, when we have capital assets of \$150,000,000,000 or \$200,000,000,000, how are we ever going to find the opportunity to invest any part of our savings? How can insurance companies, how can the banks or the building and loan associations loan out their money to build more factories, when the factories in existence are operating at only 50 or 75 percent capacity? As a matter of fact, with a national income of \$150,000,000,000 or \$200,000,000,000, undoubtedly even then there will be difficulty in finding outlets for our constantly expanding capital.

Mr. President, I had occasion to discuss this question of national income with a distinguished member of the War Production Board, Mr. Wilson. I told him my figures indicated we could now develop a national income of \$150,000,000,000. Mr. Wilson told me he believed that within 1 or 2 or 3 years after the war the great productive power of America could produce a national income of \$200,000,000,000, and many of our best economists agree with that.

Mr. President, it seems plain to me that to the extent men cannot sell their products they cannot work. If with a 40-hour week and reasonable employment we could produce \$150,000,000,000, and we produce only \$120,000,000,000, we are going to have ten or fifteen million unemployed, with all that that entails.

The only reason I have raised this point is because even under the figures of the distinguished Senator from Ohio we must almost double the wages of our workers if we are going to allow them to buy back the products of industry. If we want them to be able to buy the food and clothes, and automobiles, and furniture, and homes which they can now produce, even on the basis of a \$120,000,000,000 income, we must pretty nearly double the average income of everyone in the Nation.

I see distinguished Senators smile in some amusement and doubt that that can be done. Let me say to them that I think the idea that we must keep our wages down to what they were in the pre-war era may lead to a great collapse. If on a 40-hour week all of our workers reasonably employed would produce \$120,000,000,000 or \$150,000,000,000, then we have got to materially raise the income of the workers and the masses of the people, or they will not be able to buy what they will produce if working.

We are tremendously worried here at the idea of paying out \$20, or \$25, or \$30, or \$35 unemployment compensation. We had better accustom ourselves to paying the incomes in this Nation to all classes by which the aggregate income will be sufficient to take off of the market the total products of employment.

Mr. President, I have for the distinguished Senator from Georgia [Mr. GEORGE] only the highest respect. In a colloquy which took place between the Senator from Georgia, the Senator from West Virginia [Mr. KILGORE], and myself earlier today, neither the Senator from West Virginia nor I—at least not I—attempted to criticize the Senator from Georgia or the Finance Committee for the carry-back provisions of the 1942 Internal Revenue Act. Nevertheless, those provisions are in the law and the figures are plain. We have now earmarked in the Treasury of the United States approximately \$30,000,000,000, for the relief of the great corporations of America in the 2 years after the war. It is true that that is accomplished by an income-tax mechanism. Let us see what that is. Let us reduce it to its simplest state. Let us figure only on a 2-year period.

Assume a corporation made \$1,000,000 in 1 year and had to pay in \$750,000 excess and normal taxes on it. It would be left with \$250,000. Assume in the next year it lost \$1,000,000. Then under the principles of the carry-back provision the 2 years would be figured together, and the corporation would have made no profit over the 2-year period and the corporation would be entitled to be repaid from the Treasury of the United States the \$750,000 it had paid in taxes. That is the mechanism which has been worked out to protect our corporations against losses, and against lost earning power in the 2 years after the war.

Mr. President, I am not criticizing that plan. I think we must keep our great corporations operating; and if they operate at a loss we must provide some solution of their problem. As a matter of fact, I favor this plan, but I must admit a large degree of surprise at finding members of the Finance Committee who are willing to approve a bill which might cost the Treasury, in the 2 years after the war, ten, twenty, or thirty billion dollars for the relief of great corporations, but who tremble with dread at the suggestion that workers should be kept from want and destitution by the expenditure of a few billion dollars.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. DOWNEY. I will take time on the bill, Mr. President.

I hold in my hand a letter from Randolph Paul, whose fertile brain, I believe, worked out the carry-back provision of the 1942 Internal Revenue Act. The letter is dated December 30, 1943, and was sent to me by Mr. Paul at my request. I shall read only one sentence:

Since these carry-backs will result in refunds of previously paid taxes for corporations suffering losses or substantial declines in income, accumulated surplus will be reduced only by the difference between the loss and the tax refund.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks this letter from Mr. Paul, together with the data which he sent me.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. DOWNEY. Again Mr. President, I wonder what history will say of the Congress in August 1944. We now have the capacity to go into a world of unparalleled power and security. Today we have machines which do work which 10 years ago required 500 workers. Tomorrow they will do the work of a thousand. Clothing, shoes, furniture, food, and every other kind of goods and commodities can now abundantly flow from the factories and farms of America; but unless we rid ourselves of the complex of poverty, unless we concretely realize that men cannot work unless they can sell the products of their toil, unless we realize and act on our power to realize security for all there can be no help for us.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. AIKEN. In that connection, I am informed that the great agricultural organizations of the country were given absolutely no opportunity to study the bill before an attempt was made to jam it through at this session. I think the action we are taking here now is nothing less than a travesty on good legislation. A short time ago I was speaking with Mr. Albert Goss, the master of the National Grange. He told me that I might tell this body that he had had no opportunity to study the bill. He had appeared before a committee which was considering an entirely different bill. As I have stated, it is nothing less than a travesty on good legislation to try to jam through anything like this without Senators having an opportunity to study it.

Mr. DOWNEY. I thank the distinguished Senator for his contribution. I am quite in accord with the statement which he made yesterday, as I interpreted it, to the effect that he believed that at the same time we lay out a plan for rehabilitation and protection of the workers in the post-war era, we ought to consider the rights and problems of the farmers. I know that in my own State the farmer and the worker will be equally imperiled. I know that in each case the utmost tolerance and intelligence will be required properly to sustain and protect them in the transition period which will follow the war.

I believe that some attempt should be made after today, whatever bill is passed, to consider and secure more effective legislation operating over the whole of society. It is true that the farmer and the worker are Siamese twins, and that they will live and prosper together, or wither and die from the selfsame cause. So to the extent that the workers have adequate wages, we can help to maintain farm prices. But on the other hand, the farmers have many peculiar and difficult problems. I know that in my own State our farm economy faces a very perilous situation, judged from the viewpoint of the farmer.

I wish to refer to another question. I believe that more comprehensive legislation should be enacted to protect the rights of farmers as well as workers, and

the great and small business groups, but I wish to speak now for that forgotten generation, the senior citizens of this land, who can no longer work because they have not the strength. Some persons are shocked at the suggestion that we should pay unemployment compensation of \$35 a week; but I believe the distinguished Senator from Ohio [Mr. TAFT] himself suggested that \$25 a week might be a fair sum. I believe I am correctly quoting him.

Mr. President, during the war period, when we have found \$100,000,000,000 a year for governmental expenditures, let us see where we have left the aged of America. Let us see with what dignity, kindness, and protection we have surrounded them.

The average payment of old-age assistance in the United States in June 1944, was \$27.55—not a week, but a month. The only reason it was that high was that the State of California raised its pension to \$50 a month, which tended to bring up the average. Under old age Federal insurance these are the amounts now being paid to them, on which they are expected to retire and live in decency:

The average monthly payment to the primary retired worker is \$23.61; to the wife, \$12.58; to the child, \$12.35; to the widow, \$20.15; to parents, \$13.12.

So, Mr. President, while we are going forward with plans for a new economy, and wondering what may happen to the farmers, the workers, and the great corporations and businesses, we might well consider saving a few crumbs, a few crusts of bread, for those of our workers who are too old to work any longer. It is my own opinion that the retired senior citizen should receive an income equal to that of the worker.

Mr. President, some remarks have been made about the burden of the public debt.

I think we all realize the difficulties and dangers of deficit financing. But let us likewise remember that there is all the difference in the world between a debt owed by society to its members and a debt owed by one person to another. There is no analogy between the two.

The distinguished senior Senator from Ohio [Mr. TAFT] commented with some apprehension that the interest charges on our national debt in the post-war era will be approximately \$6,000,000,000 a year. If that \$6,000,000,000 is paid in by income-tax payers, it will immediately be paid out to those who own the bonds, either directly or through their banks or insurance companies. I realize very well that there are dangers and difficulties in deficit financing. But let us not worry too much about a debt which all of us owe as a collective society to the individual members of that society. If we had nothing but that to worry about, we would be fortunate indeed.

Mr. President, much stress has been laid upon the fact that because of the devastation of this war we must make great sacrifices after the war. A winning nation which does not have to pay reparations cannot make any sacrifices for a war after it is fought. Sacrifices for a war must be made while the war is being fought. It is during the war

that we give up our food, our gasoline, the use of our automobiles; it is during the war that we work long hours. Of course, if we exhaust our national resources, that is different. But that has not occurred in the United States. Of course, if one is left in bondage to the enemy, that, too, is different. But generally speaking, sacrifices for war are made by a nation only when a war is on. To plan an economy on the basis that after the war our people will have less because they must pay the expense of the war is incorrect. Our capacity to produce will not be decreased by this war. On the contrary it will be hugely increased.

Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has an additional 15 minutes.

Mr. DOWNEY. Very well. I will not use all of it.

Mr. President, recently in California I was a candidate for the Democratic nomination for Senator. In my closing speeches there, I summed up my hopes and philosophy. It will take me only 4 or 5 minutes to read that summary. I wish to read it as my conclusion to this argument:

Under the so-called veterans' omnibus bill, recently passed by the Senate, excellent provision was made to initiate a fine, helpful program for all returning members of the armed forces, for such training and education as may be advisable.

While this bill also provides unemployment compensation for the veteran, and all efforts will be made to give him every chance to return to his former job, it is my own opinion that the security of our returning soldiers will be realized only by security for us all. If the Nation drops into another deep abyss of unemployment, every class and kind will suffer; neither the rich nor poor, farmer nor worker, civilian nor soldier can hope to escape.

Sooner or later this war will end and will fast fade like a dream. Then what will we do at home and abroad? How will we bear ourselves in foreign and domestic fields, as we deal with a convulsed and suffering world, and confront in our own Nation many a difficult post-war problem?

Does it not seem plain that our veterans can be fully repaid for their service only if we dedicate ourselves to a sufficient and enduring internationalism, and to a domestic program that will protect all of our own people? What must be the prime objectives of such a dual policy, domestic and foreign? Let me state them as I see them: Peace, and implemented cooperation with the world beyond our borders; at home, religious and racial tolerance, the opportunity for all to work, and security for those who can no longer work.

It will not be easy to attain these goals; but more and more I have an abiding faith that we will find the way, the way to the fulfillment of the American dream.

First of all, I think that if we are to rebuild this Nation of ours, so that we can dwell together in security and happiness, we

must hold fast to an abiding faith, we must have the will and the power to perform the tasks ahead. "Faith can move mountains," and we must have that faith, so that war, intolerance, and idleness can be ended, or else those dreadful monsters will ravish us to the end of time.

Yes; "faith can move mountains"; but it is also written that "a people who are without vision shall perish from the earth." Pray God, that both faith and vision shall possess us when we meet the difficulties of tomorrow, for we shall face a problem unparalleled in all history. At the war's end we will have passed from an age of poverty to an age of abundance, due to our tremendously expanded means of production. We must learn how to use and distribute that abundance, or our people cannot work. Oh, is it not plain that just to the extent that we fail to buy in the markets and use in the homes the goods our workers will produce if they are fully employed, just to that same extent idleness and the bread lines again will spread their corroding despair, and again we will be submerged in a depression more calamitous than was our last one.

But if we are worthy of our mighty heritage, such a depression should never ravage our country again. For by vision we can now clearly foresee, and by faith we can readily bring into existence, a future fully utilizing the benefits of science and medicine, a future which will reckon its glory in terms of a healthy and happy life for all of our people, a future which, for the first time in recorded history, will employ all the latent genius of our Nation, unblighted by idleness, poverty, preventable disease, racial or religious discrimination; a future which will require in its leaders, an imaginative understanding of a fast moving, powerful, fertile machine age, an age of dynamic change and potential abundance, and one possessing and possessed by new and gigantic forces.

So I shall remain devoted to the cause of an implemented internationalism that must be made to preserve peace in an otherwise warring, chaotic, and despairing world. My faith shall remain firmly fixed on two enduring basic rights—the opportunity for everyone to work, and the right of those who can no longer work to enjoy security and dignity by adequate retirement annuities. Throughout my life I shall remain committed to the principles of democratic equality, vigorously opposing racial, color, or religious discrimination.

I shall continue to hold to the faith that when our war workers shall be happily restored to peacetime production, when, from their final triumph over tyranny, our soldiers and sailors shall come back to us—our boys and our girls—all of us together, young and old, veterans and civilians, men and women alike, achieving unity by tolerance, achieving strength by unity, with faith and confidence, will be able to adapt ourselves, our fortunes, and our free way of life to the tempo of a dynamic and ever more abundant age. Then, indeed, we shall bring to splendid reality the fulfillment of the American dream.

EXHIBIT A

GENERAL COUNSEL,
TREASURY DEPARTMENT,

Washington, December 30, 1943.

Hon. SHERIDAN DOWNEY,
United States Senate.

My DEAR SENATOR: The enclosed information is in response to your request for data

on the reserves corporations have accumulated since the beginning of the defense program. Reserves are here interpreted to mean surplus accumulations after payment of taxes and dividends.

Table I presents the net profits of corporations after payment of taxes and dividends for the period 1940 through 1944 and, also, for purposes of comparison, the year 1929. These data are shown both for all corporations and for corporations earning net income in this period.

Table II presents the net worth, as of December 31, 1939, of all corporations submitting balance sheets with their tax returns. About 5 percent of all profitable corporations, and approximately 17 percent of all deficit corporations, did not submit balance sheets in that year. Earnings retained by corporations in 1940 through 1944 would constitute additions to this net-worth figure. Issuance of new securities would also increase net worth, while retirement of outstanding securities would reduce it.

The segregation of different items of net worth, surplus reserves, surplus, and capital stock, is quite arbitrary, and depends on the decision of corporate management and on State laws. Not too much significance should, therefore, be attached to these separate items. For example, issuance of a share of stock may be shown on one corporation's balance sheet entirely as capital stock, and on another's as half capital stock and half surplus. The same kind of decision is involved in separating accumulations of surplus; some corporations prefer to earmark a portion of surplus as a reserve, while others leave it unsegregated. The mere bookkeeping entry, however, does not change the character of these accumulations.

The additions to surplus since the beginning of the defense program represent a cushion to absorb post-war losses. It must be borne in mind, however, that these are not necessarily cash accumulations, and, to the extent they are held as inventories, their soundness depends on the post-war price level, as well as the ability to realize their full value from the Government when contracts are terminated. Moreover, to the extent corporations are accumulating unspent depreciation reserves, their ability to absorb post-war losses is further increased. On this latter point, data are not available for corporations.

The post-war losses which can be absorbed by these surplus accumulations are much larger than the accumulations themselves because of the operation of the 2-year carry-back of net operating losses and unused excess-profits credits. Since these carry-backs will result in refunds of previously paid taxes for corporations suffering losses or substantial declines in income, accumulated surplus will be reduced only by the difference between the loss and the tax refund. In the case of the excess-profits taxpayer, losses would have to be approximately five times as large as accumulated surplus in order to eliminate it, and two and a half times as large for the corporation earning only normal profits during the war period.

I hope this information will satisfy your needs. If you would like additional data, don't hesitate to call on us.

Sincerely yours,

RANDOLPH E. PAUL,
General Counsel.

TABLE I.—*Net profits after taxes, dividends, and accumulated surplus, 1929 and 1940-44; all corporations and corporations with net profits*
[In millions of dollars]

	Actual			Estimated			
	1929	1940	1941	1942	1943	1944	Total 1940-44
All corporations:							
Net profits after taxes ¹	8,083	4,778	7,271	8,450	9,150	9,900	39,549
Net dividends paid ²	5,927	4,068	4,463	4,100	4,000	4,100	20,731
Retained earnings.....	2,156	710	2,808	4,350	5,150	5,800	18,818
Net income corporations:							
Net profits after taxes ¹	10,891	6,882	8,728	9,100	9,950	10,900	45,560
Net dividends paid ²	5,817	4,036	4,426	4,000	3,900	4,000	20,362
Retained earnings.....	5,074	2,846	4,302	5,100	6,050	6,900	25,198

¹ Compiled net profits, less dividends received from domestic corporations. The loss carry-over is not deducted; it would represent a double deduction, since the losses of deficit corporations, for purposes of these data, are deducted from the profits of profitable corporations in the year incurred.

² Cash dividends paid, less dividends received from domestic corporations.

³ Compiled net profits, less dividends received from domestic corporations and loss carry-over deduction.

Source: 1929-41, Treasury Department, Statistics of Income, pt. 2; 1942-44, Treasury Department, Division of Research and Statistics.

TABLE II. *Net worth of all corporations submitting balance sheets Dec. 31, 1939*
[In thousands of dollars]

Capital stock, preferred.....	17,255,301
Capital stock, common.....	73,481,904
Surplus reserves.....	7,847,231
Surplus and undivided profits.....	51,301,984
Deficits.....	-13,022,390
Total.....	136,864,030

Source: Treasury Department, Statistics of Income, 1939, pt. 2.

Mr. TUNNELL. Mr. President, I had not intended to discuss the pending bill. I have sat through practically all the debate which has taken place.

Last night as I was riding in an elevator I heard a Senator facetiously remark that the time was about right for him to make a speech on the pending subject. He said, of course, that he knew nothing about either of the pending bills, and did not want to be interrupted. That has become the position of some of those who have listened to the discussion which has taken place.

I came into the Chamber with the idea that the debate was to be addressed to conditions which would arise after the soldiers were released from their military duties, or after there had been a change in circumstances which would make possible the probability of unemployment. I found the situation to be entirely different. Instead of hearing such a discussion I found a more or less political line-up on the subject.

We are told that practically the same combination is at work which succeeded so well in preventing the soldier from having an opportunity to vote at the coming election. Mr. President, I do not know whether that is true or not. We can better tell after the vote. I have watched certain sheets as they have been carried around the Chamber. I have seen tabulations made by the board of strategy. I have seen what appeared to be the combination.

I believe that the subject now before the Senate requires something more than the application of petty politics. I think that a real problem will face the American people with regard to reconversion. I know that to be the sentiment of the

people throughout the country. When we leave Washington we find persons who believe that something should be done to prepare for the conditions which will exist following the war. They believe that something should be done to prepare the people for readjustment. Some of the bills and amendments which have been presented recognize that fact.

The George bill is entitled "To amend the Social Security Act, as amended." That is what we are here trying to do. We are discussing a bill to amend the Social Security Act, as amended. Perhaps it will take care of the after-the-war situation. Possibly it will take care of reconversion, but I do not believe it will do so, and I do not believe that the majority of the American people believe that it will do so.

Mr. President, I do not know what are the amendments which have been offered to the bill by the Senator from Georgia. I heard someone ask him about the matter, and I understood him to say that he had offered a part of the printed amendments. I wish to add my word of approval of some of the comments of the Senator from Vermont [Mr. AIKEN] in which he said he thought it was more or less of a travesty to attempt to handle a situation of this nature without even, as I understood him to say, having the bill printed as it is now being considered. Why should it not be printed so that Senators may have before them the bill in its complete language?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. BARKLEY. The print which appeared on our desks yesterday was a complete clean print of the Kilgore-Murray bill as it was modified by the Senator from Montana [Mr. MURRAY] by the amendment which he himself had offered.

Mr. TUNNELL. Yes.

Mr. BARKLEY. No further amendments have been offered to the bill, as I understand, because they could not be offered. Therefore, there have been no additions to the bill. So far as the Kilgore bill is concerned, it is now in the form of a clean print of the language

presented up to the present time. I suppose that the George amendment was printed in a separate form.

Mr. TUNNELL. Where is the print? I should like to know.

Mr. BARKLEY. It is on our desks. It has the name of the Senator from Georgia upon it as an amendment to Senate bill 2061.

Mr. TUNNELL. I have a copy of an amendment intended to be proposed by Mr. GEORGE to the bill (S. 2061). Was that amendment offered?

Mr. BARKLEY. I am not certain whether it was actually offered.

Mr. TUNNELL. Even our leader does not know.

Mr. BARKLEY. I believe that it has been offered. I am not supposed to know any more about printed copies of amendments and bills than is any other Senator. We can all read, I presume.

Mr. TUNNELL. We can all read, but we must first have something before us to read.

Mr. BARKLEY. I believe that the Senator will find that the Kilgore-Murray bill is now in a clean printed form, and that the George amendment is in a printed form. I understand that no amendments to either of the amendments have been agreed to, and no amendment may be offered until one or the other of the bills has been disposed of because such an amendment would be in the third degree.

Mr. TUNNELL. The Senator from Georgia offered some amendments, but I do not know what they are.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. GEORGE. I shall be very happy to assist the Senator if I can do so. The Senator from Kentucky [Mr. BARKLEY] has correctly stated the situation. The Murray-Kilgore bill is in final form unless further modifications should be made before the vote is taken. I introduced Senate bill 2051. Then I offered an amendment to the Murray-Kilgore bill, which is in the form in which it will be when the vote is taken, with the exceptions of one or two minor changes to which I shall direct the attention of the Senate before the vote is taken. The amendments are all here. Actually, there are only two amendments embraced in the pending measure before the Senate. One, in substance, is the Military Affairs Committee bill, and the other is the amendment which I offered to that bill.

Mr. TUNNELL. Where is the amendment the Senator offered to the bill? That is what I am trying to find out. Is the proposal of the Senator the amendment beginning with the words "Sec. 102 (a) There is hereby established the Office of War Mobilization and Reconversion"?

Mr. GEORGE. Yes; that is exactly correct. The print of August 8, 1944.

Mr. TUNNELL. There are 15 pages of that amendment.

Mr. GEORGE. That is offered to the first amendment offered by the Senator from Montana. The Senator from Montana split the Military Affairs Committee bill and offered three titles of it to

precede the bill reported by the Finance Committee. Then subsequently he offered an amendment to follow the bill which was reported by the Finance Committee. A motion was not made to strike out the bill reported by the Finance Committee which is before the Senate; but he did offer one general amendment which had to be divided into parts. The amendment of August 8, 1944, which the Senator has on his desk, is the amendment offered by me to the first amendment of the Senator from Montana.

Mr. TUNNELL. Is that all that is offered as an amendment by the Senator from Georgia?

Mr. GEORGE. That is all I have offered as yet to the first amendment of the Senator from Montana, but if my amendment should be adopted it would be necessary to perfect the two remaining titles of the bill. However, there is no substantial difference between the Murray-Kilgore bill and what I am prepared to offer. There really would be no conflict, except it would be necessary to make it conform to whatever is done with my first amendment.

Mr. TUNNELL. I have seen the amendment to which the Senator refers, but I understood the Senator, in response to a question, to say that he had offered a part of it, and I did not know what he meant by that.

Mr. GEORGE. What I meant, as the Senator will see, is that I had prepared an amendment to the Military Affairs Committee bill and had it printed and it was on the desks of Senators the first day the Senate met to take up this bill, which was Tuesday; but when the Senator from Montana found it necessary to split his amendment, which was the Military Affairs Committee bill, I then had to split my amendment. That was all that was meant by my statement. But the substance of the Military Affairs Committee bill is now before the Senate in the first amendment. After the Senate has passed on the first amendment offered by the Military Affairs Committee, to which I have offered an amendment, the proceeding so far as the remaining titles of the bill are concerned will be largely pro forma in any event.

Mr. TUNNELL. I think, as was said by the Senator, that I am now in the position to make a speech on the question.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. AIKEN. I wish to say that the reason I raised my objection to hastening this bill through in such a short period of time was that it appeared to me that both the Murray-Kilgore bill and George amendment, which was offered this week, are discriminatory against American agriculture, and our agricultural interests have had no opportunity to study them, to send copies to their directors or to discuss them in any way or to suggest proper amendments which would make the measure nondiscriminatory.

Some very good amendments have been suggested to me, but they are far from complete, and I know we cannot enact fair and suitable legislation or

rewrite laws here on the floor of the Senate in a satisfactory manner. For instance I think it will be found that both bills give preference to small industry in allocating materials; yet it seems to me that agriculture should have an equal opportunity and should be accorded equal preference in the allocation of material during this period and the period to come.

It will be found that in the Retraining and Reemployment Policy Board which is set up in both bills the Department of Labor, the Federal Security Agency, the War Manpower Commission, the Selective Service System, the Veterans' Administration, the Civil Service Commission, the War Department, the Navy Department, and the War Production Board are included, but the Department of Agriculture is absolutely left out in both bills.

It will also be found in both bills that the administrator "shall confer with existing Federal, State, and local agencies and officials in charge of programs relating to vocational education, vocational rehabilitation, training in industry, and other similar programs and secure the expansion of such programs."

Agriculture is left completely out of that. It may be that either bill could be amended on the floor of the Senate, but I think we would make a botch of it if we should undertake to do that. The only proper way is to send one or both bills back to the committee and have them rewritten so as to be fair to all and not discriminate against a large section of our population.

Mr. TUNNELL. I agree with the Senator and voted affirmatively on his motion yesterday. I think that there is discrimination. I remember very distinctly that when depression came in this country a few years ago agriculture was hit just as hard as any of the other branches of American industry.

Mr. AIKEN. I wish to say that, in view of the present enormous production of American agriculture, if depression should come to this country that industry will be hit first and hardest of all the industries of our national economy. I tried to point out yesterday what happened to milk of which the farmers had increased their production at the request of the Government. They have also increased the number of cows and cattle 20 percent in less than 3 years, at the request of the Government, and yet they would be left holding the bag if the national income and the national wage scale should be lowered, and it would lead to distress among the agricultural population. Yet, I cannot find anywhere in either bill where the slightest consideration is being given to the agricultural interests.

Mr. TUNNELL. I remember very well when corn in this country sold for less than 50 cents a bushel and when eggs sold for less than 12 cents a dozen. I do not see why the farmer is not hit just as hard as any other branch of industry, and why he is not as necessary as any other of the active participants in American industry?

What I want to call attention to in particular is that we came here I understood for the purpose, very largely, of preparing for after-the-war conditions, although perhaps it was expected that we would also aid in the war, and yet the bill as presented, at least one bill, is practically entirely for the purpose of amending the Social Security Act. I think that may be one thing which should be done; I do not know that I disapprove it; I do not know that it is at all wrong, but certainly it is not a comprehensive plan to take care of the readjustment period, and no one can claim that it is. That is the measure placed before us when we returned here. Since then there has been an amendment offered. I have not had a chance to go over the amendment in connection with the bill and I do not think the majority of the Senators have.

Reconversion is not a joke, and it is not something which should be lightly pushed aside. The American people are saying that we are not prepared for peace any more than we were for war, and we are going to amend the Social Security Act so that the various States will be guaranteed sufficient funds to put into effect the Social Security Act.

We have had all sorts of questions as to the difficulties which could be raised, the jealousies which could be aroused. We have had State versus Nation. There are those who want us to believe that the States are losing their position. That is a most absurd suggestion. We hear such expressions as "our economy," "the American way of life," "free enterprise," "States' rights." The State right that is being insisted upon most generally is the right of the State to come to Washington and get a share of the appropriations made by Congress. That has been my observation, and I think it is accurate. That is the right the States are insisting upon; and it is a right which they all have and are exercising. The Government is not taking away the rights of the States. The States are begging the Nation to help them on every imaginable excuse.

Then we have heard the suggestion of capital versus labor. I do not know how we are to adjust post-war difficulties by arousing such antagonisms. I heard one Senator say that there must be an employer in order that there be an employee, but it goes further than that. There must be an employee before there can be an employer. It takes both, and I would not vote for either of these bills if I thought it was against the employer or the employee. I would not vote for either of the bills if I thought it was against agriculture. I would not vote for either one of them if I thought it was against labor.

When we had a depression, each of the various elements of America was hit, and hit hard. Today we hear sniping criticisms of every suggestion that is made for after-the-war economy, everything that is suggested for the benefit of anyone, not alone of labor.

Senators make the statement that this is a C. I. O.-backed bill. If that were the only backing it had, that would be one

situation, but I cannot tell a C. I. O. man when I see him walking along the street; I cannot tell him when I see him go into a booth to vote; I cannot tell him when I see him go into a shop, unless I know something about the shop. He is a human being. Here is an attempt to divide labor. It is said this is a C. I. O. bill. When a man's children are starving, I do not think it makes much difference whether he is a member of the C. I. O. or the American Federation of Labor, or is a manufacturer, a farmer, or anything else. I do not quite understand this attempt to arouse every element in America against every other, because if we do not have this after-the-war adjustment, unorganized labor is going to be hit just as hard as is organized labor.

I saw figures a few days ago showing that there were 54,000,000 people employed in the United States. I think those 54,000,000 people are entitled to representation here. If I am to be sneered at because I in some way attempt to represent any part of those 54,000,000, I welcome the sneers. The American people are watching this proceeding, because we are told that there is an element in the Senate of the United States attempting to aid labor. I do not know about that. I do know that if labor is not aided, and if some sort of a depression hits America, it is going to hit other elements, just as well as labor.

We are told that this is not according to the theory of unemployment insurance, that there should be no distinction between the amount received by a man who has two children and the one who has one, or the man who has three children and the man who has none. I do not understand that at all. I am not greatly concerned as to whether this is a relief measure or an insurance measure, or what it may be. I am concerned that America be prepared for after-the-war readjustment. I am concerned that the American people shall know that we in the Senate are interested in this great problem, that we are interested in preparing for peace.

Oh, we are told, we are not ready for peace any more than we were for war, and it is astonishing to see what is brought forward to prove that the bill presented is not a workable bill. I do not know what is in the amendments of the bill of the senior Senator from Georgia [Mr. GEORGE], but so far as I can see, there is nothing of consequence in the bill itself except an amendment to the Social Security Act, and that social-security proposition leaves it entirely to the States whether they desire to borrow the money or accept the advancements to help them carry out the provisions of their social-security acts. We are never going to have any uniformity of social security in the United States if we rely on 48 different legislatures. We are going to have 48 different standards of living; we are going to have 48 different conceptions of what social security should do for the people who are to be benefited.

I suppose this is a good time, just before the election, to talk about States' rights, to talk about someone running off with the rights of the American voter.

Mr. President, today I heard a Senator speaking of New Deal socialism. He did not say a word about Republican starvation. He did not mention the other side of the question. And earlier today I heard the colloquy which took place between the Senator from Maryland [Mr. TYDINGS] and the Senator from West Virginia [Mr. KILGORE]. The Senator from Maryland asked, "Where is the money coming from? Suppose we make the appropriation, and there is not a nickel in the Treasury?" In heaven's name, suppose a man is the father of four children and has no work, and his children are crying for bread. Where is the money coming from? That question then is just as important to that man and to his wife, the mother of his children, as it is to the rest of America.

Mr. President, perhaps the Murray-Kilgore measure does not provide the proper solution; I do not know that it does; but I do say that to ask where the money is to come from is to take a trifling attitude on such a serious matter, when we think of the conditions which existed in this country just a few years ago, when we think of the millions of unemployed centered in the great cities by reason of the location there of American industry, when we think of them being without jobs, when we think of a father in his agony walking the streets to find something for his children to eat. When a man is in that condition he does not care whether what he receives is called relief or insurance or whatnot.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). The time of the Senator on the amendment has expired. The Senator is now recognized for 30 minutes on the bill.

Mr. TUNNELL. Mr. President, the position we are in with reference to this bill is that of being under obligation to the people of the Nation to prepare for conditions which will exist after the war. The people who will be suffering then will not say to us, if we fail to pass the Murray-Kilgore measure, "We know you were justified. You thought that the bill was framed on the basis of the wrong principle. You thought it was a fight between capital and labor. You thought it was a struggle between organized and unorganized labor."

Mr. President, that is not the question involved. It is not a question even between property and the individual, as I see it. It is a question of whether Congress has the industry, the intelligence, and the patriotism to prepare for conditions which will face the Nation after the war.

Perhaps some may think that the question involved does not amount to a great deal. Perhaps some may think that it is something which will be forgotten; that the principal object now is to win an election. I do not think it is. I do not think the American people should be treated with such indifference at such a time as this.

The present war is of such vastness, and such tremendous expenditures must be made to carry it on, and such a great number of persons are engaged in it, that

a terrible readjustment will be necessary when it is over. The American people have elected you and me to do our part to prepare for the grave situation which is bound to arise after the war.

Mr. President, some say that we are pessimists; that there is not going to be any period of unemployment after the war. There was a period in 1907 after the Spanish-American War when one could not get a check cashed. There was a period in 1873 after the War between the States when there was a panic all over the Nation. There is going to be a readjustment in America after this war is over, and it is our duty, regardless of whether we are Republicans, Democrats, Populists or what not, to prepare for that readjustment.

I do not know that there is anything so very wrong about the George bill. I do not know what the amendments to it are. Certainly I respect those individuals who have brought out the Murray-Kilgore bill with an honest intention to do something for the American people when misfortune strikes them. I do not know that it is based on absolutely the correct theory. I do not say that the framers of the measure have used the best methods in framing it. Perhaps the amount provided by it is based on too high an estimate as to what should be paid. I do not know. It does not seem so now, though perhaps it is. But, Mr. President, I ask those who criticize it: What is their answer? What is the proposal of those who oppose any amount of money being paid or promised to be paid? They oppose the Murray-Kilgore bill; what do they favor? What is their solution, what is their answer, and what will be their answer to the weeping mothers and fathers when serious unemployment occurs?

Mr. President, I sympathize entirely with those who want to economize in the expenditures of the Government. I think they are right. I think we are under obligation to economize, and, as I have said, perhaps an unemployment compensation payment does not provide the right answer. But what is the right answer? How are we going to continue employment? What is there in the George amendments which will put food into the mouths of Americans when misfortune comes, and what is the answer to those who will ask at that time for the answer?

Mr. President, we are told that the Murray-Kilgore bill is not written according to the right principle. Perhaps that is true. But what is the right principle? What is the answer of those who criticize the bill? Do they say that there is not going to be any depression after this war, that there is not going to be any unemployment? Is this their answer to America's labor, to America's manufacturing industry, to America's employers, to America's employees, to America's agriculturists?

Is this the bid of Mr. Dewey for labor? The Republican newspapers say that Mr. Dewey is bidding for the vote of labor. What is his bid? Is his bid to refuse even a serious consideration of the

worker's condition when employment fails? What is the answer? I suggest to Senators on this side of the Chamber who listen to the story of States' rights from the other side that the cry of States' rights comes from the other side only when they do not control the Federal Government. When they control the Federal Government, we have men like Thaddeus Stevens. When they control the Federal Government, we have Force bills, antilynching bills, and even worse measures. Let me say to Senators on this side of the aisle that States' rights will then be forgotten by their present allies.

I have watched the criticism of the special-interest-owned mediums of information. When they do not control the courts, the courts are to blame. The Supreme Court becomes the object of abuse. I went to California, and while there attending a meeting of the American Bar Association, I listened to the president of the association attacking the Supreme Court of the United States. Why? Because the elements which he represented apparently did not have great influence on its decisions. When the interests do not control Congress, and think they have great influence with the Court, then the Congress is to blame. When they control the Presidency, as in the days of Harding, Coolidge, and Hoover, then everyone else except the President is to blame.

Let me say to my friends on the other side of the aisle that the situation which I have described will again face the American people if they do not watch out. It faced them after the administration of Herbert Hoover, and they have not yet recovered from it. It will face them after this war is over, if the party of those on the other side of the aisle should by chance control the Government. I say to them, Either say what you think should be done to prevent this catastrophe, or refrain from criticising those who are trying to prevent it. I do not know what their answer may be. The American people do not know what their answer may be. They cannot find out from their candidate for President. It is said to be "under blankets." I do not know just what that means, but I think that is something which is done to a race horse before the race. My own opinion is that the American people are not so much interested in how fast this race horse can run as they are in what direction he is going after he is geared. Is he going to aid the American people in the solution of their problems? Are my friends on the other side of the aisle representing him today? Is this the answer of the Republican Party to the problems of labor and industry? Is it the answer of those on the other side of the aisle? Is it their contention that there will be no depression, and that no readjustment will be necessary?

I receive a great many letters and telegrams. It may be said that they come from the C. I. O. Some of them do. Here is a letter that did not:

Months ago the American Federation of Labor called upon Congress to enact legislation to deal with the problems of war and the transition period. After long and careful

study, the Senate Military Affairs Committee has reported out the Kilgore-Murray-Truman measure.

By its action on this legislation the American people will judge whether Congress is making reconversion plans for full production or abdicating its responsibility and gambling with economic chaos.

The only reason we did not have economic chaos in the last administration was that nothing at all was moving.

We hope that the false issue of States' rights will not be permitted to obscure the interests of all groups in the American Nation.

This part is underscored:

The American Federation of Labor earnestly requests that you do everything in your power to secure the immediate passage of the Kilgore-Murray-Truman bill (S. 2061), without any weakening amendments.

This letter is signed by William Green. It represents the viewpoint of the American Federation of Labor. William Green is a human being, a very active man, and he is entitled to representation. His organization is entitled to have its views presented to the Senate.

Here is a letter from a humble woman:

Just a request, but a very earnest one, that you help to see that the Kilgore bill is passed.

Very sincerely yours,

HELEN HUTCHINSON.

This letter comes from Seaford, Del. I do not know the lady.

Here is one from the C. I. O.:

Urge you to work for and support Kilgore reconversion bill which is only bill that provides efficient means whereby industry, labor, agriculture, and public can efficiently work together both nationally and locally to solve reconversion problems.

That is from a C. I. O. union. It has the right to present its views.

Here is another one. I do not know whether this is from a C. I. O. organization or not:

We of Local 40 urge you to vote for and use every effort at your command with your colleagues for the passage of the Kilgore bill.

The telegram is signed by H. P. Heller, recording secretary of Local 40, Industrial Union of Marine and Shipbuilding Workers of America.

Here is one from Philip Murray. I shall not read it. It is a long letter. I believe it was placed in the RECORD a day or two ago.

Here is one from Ben Stahl, executive secretary of the Newcastle County Industrial Union Council. He says, speaking of the Kilgore bill:

We urge you give it your support by speech and vote.

Here is a telegram from the United Steelworkers of America, asking for support of the same bill.

Here is one from a man by the name of Luhrsens, asking for active support of Senate bill 2061.

I read now a telegram which has come to me from Mr. Gerrish Gassaway, secretary-manager of the Chamber of Commerce of Delaware, Inc., at Wilmington, Del. His telegram reads as follows:

Urge your support of unemployment compensation provision of George bill (Senate 2051) now under consideration by Senate. This bill reaffirms States' rights in the field

of unemployment insurance. Urge your opposition to unemployment compensation provisions in Kilgore bill (Senate 1893) establishing Federal system of unemployment benefits.

So far as I recall, Mr. President, that is the only communication I have received from my home State requesting that I support the George bill. As I have said, that telegram came from the secretary-manager of the Chamber of Commerce of Delaware, Inc., at Wilmington, Del.

Under these conditions, while I am not satisfied that the Murray-Kilgore bill would do all its sponsors think it would do, while I am not satisfied that it is the best bill which could be written, yet I am satisfied, as I have said before, that it is an honest effort on the part of the Committee on Military Affairs to get ready for the problems of the period after the war.

I shall not attempt to compare the two bills word by word or paragraph by paragraph. I do not subscribe to the statements made earlier today by the senior Senator from Vermont [Mr. Austin], when he said the two bills were based upon different theories. I do not think they are at all. I think the two bills are almost identical, except for the provision in the Murray-Kilgore bill as to the amounts which are to be paid. Such a provision is omitted from the George bill. If the George bill is to be amended so as to include such a provision—and I have understood it is to be so amended—the two bills will be practically identical. In fact, I have been told by members of the two committees that the thing which has prevented them from getting together and agreeing on the same bill is the existence of the provision with reference to the payment of benefits or insurance. If the amounts so provided for are too high, lower them. If they are too low, raise them. If none should be paid, and if there is some other way to prevent unemployment, let us take that way. I do not know that the payment of money is the solution. So far as I am personally concerned, I would listen with a great deal of interest and encouragement to any proposition made by any Senator on either side of the aisle which would have for its purpose the adjustment of conditions when the war is over and when the inevitable difficulties arise.

Every employer wants to prevent the occurrence of such a condition. It will not benefit the employer to have his mills shut down by a depression. It will not benefit the banker to have the business interests of the Nation at a standstill. Yet it seems to me that in this debate we have scarcely dealt with the problem at all. Unfortunately, the discussion has turned to a political line. But this question is above politics, and it is worthy of a better consideration than a political one. The problem is one which affects too many persons. The problem of taking care of conditions after the war is a tremendous one. Of course, if there is never any depression or any unemployment, no one will be happier than the employers. They will be happy. Likewise, the employees will have no com-

plaint; and all will be well. But suppose there is a period of unemployment, as I believe there will be. Then are we preparing ourselves for that time?

Mr. President, some say that if we let unemployed persons have any money they will not work. On the same theory, I suppose a person should not be able to accumulate enough money to be able to buy a home, he should not be allowed to have a bank account, because he will not work. The theory is that the bill will cause unemployment and will prevent the establishment of the very condition we hope to establish as a result of the operation of the bill. If a person will not work when he has property, that is a great indictment against the vast majority of the American people. I have not found that it works that way.

I am interested in a small bank. I have watched its deposits grow. We were told that people would not save their money. The section of the country in which that bank is located is not one in which great industrial establishments are to be found. But those bank deposits have multiplied by four, and they have largely come from average men and women. The American people are saving their money. The American people are putting their money away.

Mr. President, it is said that the bill will give some insurance to the man who has a home and has money in the bank. If there are those who do not want that man to have anything, let them propose to amend the bill. I am principally interested in keeping industry moving, because I know that when men are out of work we will all be hit. I know that the last time we had widespread unemployment my own receipts fell off to about one-half of what they had been prior to the depression. I know that many other persons have had similar experiences.

Under these conditions a real problem faces the American people. When a depression hits us every element and branch of industry are affected. If we take that situation into consideration, should we not do all we can do? It will not do any harm for Congress to prepare for the worst, even though it never occurs. At least we will show that we appreciate our position and our responsibility and that we are interested, not alone in the laborer, not alone in the farmer, not alone in the manufacturer, but in America, its great interests, its great future, its great possibilities. Let us drop all petty considerations and be Americans.

Mr. MALONEY. Mr. President, I should like to ascertain whether it is in order for me to make a motion to recommit the bill.

The PRESIDING OFFICER. Such a motion is in order.

Mr. WHITE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Maine?

Mr. MALONEY. I yield.

Mr. WHITE. Let me inquire whether, if a motion to recommit is to be made, the absence of a quorum should not be suggested.

Mr. MALONEY. I am willing to have that done, if the Senator so desires.

Mr. WHITE. It all depends on whether the Senator is going to make such a motion.

Mr. MALONEY. I am going to make the motion.

Mr. WHITE. Then, Mr. President, with the permission of the Senator from Connecticut, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Revercomb
Andrews	Guffey	Reynolds
Austin	Gurney	Robertson
Bankhead	Hatch	Russell
Barkley	Hawkes	Scruggs
Brewster	Hayden	Shipstead
Brooks	Hill	Stewart
Buck	Jackson	Taft
Burton	Johnson, Calif.	Thomas, Utah
Butler	Johnson, Colo.	Tobey
Byrd	Kilgore	Truman
Capper	Langer	Tunnell
Caraway	McClellan	Tydings
Chandler	McFarland	Vandenberg
Chavez	McKellar	Wagner
Clark, Mo.	Maloney	Wallgren
Connally	Maybank	Walsh, Mass.
Cordon	Mead	Walsh, N. J.
Danaher	Millikin	Weeks
Davis	Moore	Wherry
Downey	Murray	White
Eastland	O'Daniel	Wiley
Ellender	O'Mahoney	Willis
Ferguson	Overton	Wilson
George	Pepper	
Gerry	Radcliffe	

Mr. McKELLAR. Seventy-six Senators have answered to their names. A quorum is present.

Mr. MALONEY. Mr. President, the bill under consideration, and more particularly the complicated amendments suggested thereto, have hurriedly come before most Members of the Senate. So it does not seem to me that a sufficient opportunity has been afforded to all Members of the Senate to give careful and studied consideration to the proposal which would place a heavier burden upon the people of this country than any proposal which we have heretofore considered excepting that involving the cost of war itself.

I presume that many Members who are present understand the bill and all of the amendments. I must confess that I am not yet in that category, Mr. President, and I have some doubt about it with respect to other Members of the Senate.

What we are attempting to do is to write a bill of tremendous magnitude on the floor of the Senate. Amendments in great number have been presented within the past few days. Within the past hour vigorous attempts at compromise have been made off the floor. One of the proposals goes so far, in my judgment, at least in its original form, as to present an absurdity. The other proposal, in my opinion, does not go far enough. I do not believe it will be possible to bring about a compromise here on the floor of the Senate under the existing excitement and confusion, and because of the misunderstanding which I believe prevails. Because it is a matter of such great importance to all the people of the country, I am very hopeful that the Senate will agree to recommit the bill to the Finance Committee in order that it may have further study

and that in an effort to compromise the committee members may give careful consideration to any suggestions which may be made.

Under the present circumstances I do not believe it is possible properly to dispose of the bill today in the Senate, and I cannot see any wisdom whatever in attempting to force the bill through the Senate tonight or tomorrow. I have grave doubt that, regardless of early action here in the Senate, we could obtain early action on the entire proposal by both branches of the Congress.

I think it would be a trespass upon the intelligence of the Members of the Senate to try at this time to give further reasons as to why the bill should be given further study. While the debate has been confusing, it has been enlightening as well, Mr. President, because it has been clearly shown, it seems to me, how complicated is the proposal on which we are asked to hurriedly vote.

Mr. President, I shall not impose further on the time of the Senate. I now move that the bill under consideration be recommitted to the Finance Committee, and on that motion I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, before the vote is taken on this motion I wish very briefly to express my reasons for opposing it.

The questions which now pend before the Senate are not as complicated as we are led to believe. Notwithstanding all the verbiage and all the debate, the issue is very clear. Upon the one side we have a proposal to include uncovered Federal employees according to the standards now in existence under the laws of the various States. On the other hand we have a proposal to include not only the uncovered Federal employees but all employees, by supplementing the State provisions with an appropriation out of the Treasury of the United States, to be added to the State payments and to be administered by the States.

That is a very simple proposition; it is not complicated at all; and it does not involve the other titles to the proposed legislation dealing with reconversion itself, which is a separate proposition, upon which, in my judgment, there are no fundamental differences between the two bills which are now pending before the Senate. Either one of them is workable. One goes a little further than the other, but they are both workable, and it is for the Senate to choose between those two titles or three titles involving physical reconversion and all related subjects. The main controversy here is over the question of unemployment compensation.

This matter has not been thrust before the Senate with the suddenness we are led to believe. The Committee on Post-war Economic Policy and Planning, which has been in existence for more than a year, held hearings and considered this whole subject for many weeks and even months, and although not a legislative committee, it proposed legislation. It brought into the Senate and introduced under the sponsorship of the Senator from Georgia [Mr. GEORGE] and

the Senator from Montana [Mr. MURRAY] a bill known as the George-Murray bill, dealing with reconversion and all its related subjects. That was done prior to the recess of Congress on the 23d day of June.

The Kilgore-Murray bill, or the Kilgore bill as it was then called, was also introduced by the Senator from West Virginia before Congress recessed. That bill was referred to the Committee on Military Affairs, as was also the George-Murray bill to which I have already alluded. All these bills were printed and were available to Members of the Senate who desired to take them home with them and study them while Congress was in recess. How many Senators availed themselves of that privilege I do not know. I know of one who did; I am not speaking for any other Senator. So that both those bills carrying the two theories, were available in June to be studied, and the hearings were printed and were also available.

Mr. KILGORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from West Virginia?

Mr. BARKLEY. I yield.

Mr. KILGORE. I should like to remind the distinguished leader of the majority that some 3 weeks before the recess provisions of those bills were called up on the Senate floor when the contract termination bill was under consideration and were discussed at some length. Then speedy action was promised on the other provisions.

Mr. BARKLEY. I was coming to that. I should probably have taken that up before I mentioned the recess.

When we were debating here whether we would consider the contract-termination bill separately from other provisions of proposed post-war legislation complaint was made then that we were dealing only with one phase of this legislation; that reconversion was involved, that surplus-property disposition was involved, and the human element incident to unemployment compensation was likewise involved. Complaint was made that we were taking up only contract termination, leaving these other matters for future consideration. The Senator from Georgia, as chairman of the Special Post-war Economic Policy and Planning Committee, the Senator from Michigan [Mr. VANDENBERG] as a member of that committee, and I as a member of that committee also, and in my capacity as majority leader, pledged the Senate of the United States, insofar as we could pledge it, to a speedy consideration and prompt action on legislation dealing with these subjects. We did that here on the floor. If any Senator doubts it, I will cite the RECORD of the Senate of the United States on the 3d day of May of this year, three months and a half ago. We were not ready at that time to take up the other phases of legislation dealing with post-war conditions, and therefore we felt obligated to promise the Senate speedy consideration of the other measures. Based upon that obligation and that promise and that pledge, the Senate went ahead with contract-termination legis-

lation, and it was enacted and signed by the President before the Congress recessed.

I think I ought to say that the Committee on Military Affairs appointed a subcommittee to consider phases of this legislation prior to the recess, and the subcommittee gave consideration to the subject of reconversion and also unemployment compensation prior to the recess, but took no action upon it. They did have some hearings, as I recall, and those hearings were printed and were available.

We came back here following the recess, and in view of the fact that the war on all fronts was going so well, we felt we could not any longer delay the exercise of the foresight which we felt we ought to exercise in preparing for peace, so that when the time came, when the last shot was fired, we would not be as unprepared for peace as we have always in the whole history of this Nation, been unprepared for war when war came.

All these bills were pending before the Military Affairs Committee when we came back here. The Senator from Georgia, chairman of the Finance Committee, lifted out of the George-Murray bill the provisions regarding unemployment compensation, at least in part, such portions of them as would not involve a tax on other employees who would be covered, either a pay-roll tax on employees or on employers, such as is now being collected to cover those who are under the social security law. It was necessary to avoid any conflict between the House and the Senate on the question of taxation. We have always known how meticulous the House is—and I do not criticize their attitude—in observing the provision of the Constitution which gives them original jurisdiction of all laws raising revenue, and the social security law does raise revenue. The Finance Committee, I think unanimously, took the position that they could not impinge upon the authority of the House of Representatives that the Senate could not trespass upon that constitutional provision, but that, if we could pass some law and send it to the House, they then could exercise their original jurisdiction to broaden it as much as possible and even include additional taxes in order that it might be enforced and the obligations carried out.

I voted to report the George bill from the Committee on Finance. I realized then, as I do now, that it was inadequate. I think the committee was of the unanimous opinion that it was inadequate, so far as that is concerned; but it was as far as the Finance Committee could go, because they could not originate a tax that would help to enlarge social security under the present terms of the law. I myself stated in the committee before the vote was taken that I did not believe the bill was adequate and I thought ultimately we would have to come to a national standard for unemployment compensation, just as I believed then, and believe now, that some day we will have to come to a national standard of old age pensions. I have always believed that, and still believe it. We may not be ready for it now, but,

in my judgment, it is utterly impossible to build up or maintain a social-security system in this country by having it limited to 48 watertight, airtight compartments, and rely upon those compartments to deal uniformly with the problem of unemployment and old-age assistance. I believe it will be just as impossible to get uniform legislation among the States on that subject as it has been to get uniform legislation on the subject of divorce, although we have been advocating it in this country for 50 years. But that is beside the question.

We have the George bill here and we have the Kilgore-Murray bill. In the meantime the Senator from Montana [Mr. MURRAY], having decided that the George-Murray bill, introduced prior to the recess, did not adequately deal with the subject, and did not comport with his own judgment on the subject, on further consideration joined the Senator from West Virginia in the Kilgore-Murray bill, as it now is offered, and as it was reported by the Committee on Military Affairs, I regret to say by a partisan vote. We have dealt in the Senate, and in the Congress with war legislation in a nonpartisan way. The proposal before us is war legislation, just as much so as the draft law was war legislation. It is as much an incident of the war as any other part of our legislative program, and I deplore and regret the fact that out of the Committee on Military Affairs even a post-war measure was voted by a partisan division among Democrats and Republicans.

Mr. MALONEY. Will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MALONEY. I should like to have a moment of the Senator's time, if I may, to say that I, too, am anxious for haste, and I think the way to bring about speed is to recommit the bill for careful consideration, and I hope Senators will not leave Washington until a bill is passed.

Mr. BARKLEY. I wish to make a prediction. If the Senator's motion to recommit the bill is adopted by the Senate, there will be an exodus of Senators out of Washington on every train that leaves the city.

Mr. MALONEY. I say to the Senator that I will not be in the exodus.

Mr. BARKLEY. I hope not. Already I am being asked by Senators on the floor "When can I leave town?" and so far as I am concerned, I am advising them that they should not leave town at all, and that those who are away should return.

Mr. MALONEY. Will the Senator indulge me a moment further?

Mr. BARKLEY. Certainly. I am not impugning the sincerity of the Senator. I realize that he believes that his motion will bring about speed. I do not agree. I think it will bring about indefinite delay. I think the issue involved here must be finally fought out on the floor of the Senate, and it may be that the legislation must ultimately be written in conference between the two Houses. If it has to be written in conference, the sooner we can get something into conference the sooner we will have legislation, and the sooner we can show

that we have not been negligent in our duty in looking far enough ahead to bring about some kind of post-war legislation to deal with peace, as well as war. I yield further to the Senator.

Mr. MALONEY. I should like to point out that I have heard that when this matter was acted upon in the Committee on Military Affairs it was pretty largely decided by absentee votes, that proxies were used, and that some of the Senators who voted by proxy were not familiar with the proposal which came from the committee.

Mr. BARKLEY. I am not in a position to say anything about that. If it be true that Senators in the Committee on Military Affairs voted by proxy, it was not an unaccustomed procedure. In all committees absent Members are voted sometimes by proxy, if they are absent and cannot return, and if they give their proxies to Members who are present, even by telegram, indicating to the committee how they desire to vote. That has happened in the Committee on Banking and Currency, of which the Senator from Connecticut and I are both members. It has happened in all committees, and frequently happens. Whether it happened in the Committee on Military Affairs I do not know, for I am not a member of that committee.

Mr. MALONEY. I agree with the Senator that it is oftentimes done, but the practice is abused on occasion. I have been informed by more than one member of the Committee on Military Affairs that he was voted by proxy without an understanding of the bill. I think that is a bad and a deplorable situation.

Mr. BARKLEY. If any Senator who was a member of the Committee on Military Affairs voted by proxy in favor of the bill, I would rather hear him move to recommit the bill than to hear someone do so who was not a member of the committee, who by inference is criticizing what happened in the committee. No such motion has been made by a member of the Committee on Military Affairs, whether he was present or absent when the bill was voted out.

Mr. KILGORE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. KILGORE. I should like to say, in the absence of the chairman of the Committee on Military Affairs, that the proxies were about evenly divided. There was a quorum present, and more, who actually voted.

Mr. BARKLEY. I understood that a quorum of the members of the committee was actually present.

Mr. KILGORE. A quorum and more, one more.

Mr. BARKLEY. More than a quorum was present in person.

Mr. KILGORE. The proxies were about evenly divided.

Mr. BARKLEY. But that is beside the question. I do not believe we will speed legislation by recommitting the bill. If we recommit the bill to the Finance Committee, the Kilgore-Murray bill will still be on the calendar and subject to be taken up on a motion on the floor of the Senate, and we would have to recommit that bill to the Committee on Military

Affairs to get the measure back in the committee. We would still have the Finance Committee dealing with the one part of it, and the Military Affairs Committee dealing with another part of it, and if they reported again, they might come in again with different bills, and we would have the same situation we now confront.

Mr. WHITE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. WHITE. As I understood the motion of the Senator from Connecticut, it was that the pending bill be recommitted to the Committee on Finance. I take it that the pending bill is the bill made the unfinished business of the Senate, that is, the George bill, so-called. Is it the Senator's understanding that a motion in that form would carry with it all the amendments which are pending to the bill, that is, the Murray-Kilgore amendment, the George amendment to the Murray-Kilgore amendment, and all the other amendments? In other words, would the entire subject matter, and all the legislative proposals pending, either as substitutes or amendments, follow the main bill back to the Committee on Finance?

Mr. BARKLEY. I would rather the Chair would answer that question. I have certain views about it, but I would rather the Chair would answer the question. The question is as to whether the motion to recommit the pending bill to the Committee on Finance would carry with it all amendments which are now pending to the bill.

The PRESIDING OFFICER (Mr. McKellar in the chair). If the George bill is recommitted it will go back to the Committee on Finance, and all action of the Senate will be nullified, unless the bill shall be reported again.

Mr. BARKLEY. No amendments have been agreed to thus far.

The PRESIDING OFFICER. Except a few perfecting committee amendments.

Mr. BARKLEY. They are modifications of the amendment to the bill which is the pending business.

The PRESIDING OFFICER. They are committee amendments to the bill itself.

Mr. BARKLEY. They would go back, but the Kilgore bill itself would not go to the Committee on Finance. In the first place, that committee has no jurisdiction, and the bill would still remain on the calendar. Action on the motion would not affect the status of that bill at all.

Mr. WHITE. I understood that the substance of a part of the Kilgore bill had been offered as an amendment to the George bill. What I was interested in ascertaining was whether a motion to send the George bill back to committee would carry with it, of necessity, all the pending amendments to the George bill. Of course, if that were true, then there would be presented to the Committee on Finance a matter which originated in the Committee on Finance, and a matter which originated in another committee, the Committee on

Military Affairs, and was there considered.

Mr. BARKLEY. Undoubtedly, if that were the effect of adoption of the motion, it would mean that not only a measure of which the Finance Committee has jurisdiction would be recommitted to it, but a measure of which it has no jurisdiction would be committed to it also, insofar as the amendments were concerned. But that would have no parliamentary effect upon Senate bill 2061, which would be still on the calendar, and which could be taken up on a motion by any Senator.

Mr. WHITE. I understand that.

Mr. BARKLEY. Mr. President, I have taken more time than I had wished to take, but I felt like making this explanation, because I believe that not only would a recommitment of the bill not facilitate legislation or clear away any confusion which exists in connection with the issue, which I think is simple, but I think it would postpone indefinitely, without ample justification, any legislation upon the subject with which we are now dealing. Therefore I hope the motion of the Senator from Connecticut will not prevail.

Mr. MALONEY. Mr. President, if I may have the permission of the Senate, I should like to modify my motion in order that it may read, "with instructions that the committee report back to the Senate not later than Monday, August 21."

Mr. VANDENBERG. Mr. President, I wish very briefly to assert my total agreement with the analysis of the situation made by the distinguished majority leader. There seems to be an implication here that the pending proposal, all three of them, are "shotgun" proposals which have been inadequately considered and inadequately born, and are inadequately supported at the present time before the Senate. I have been a Member of the Senate for 16 years, and I know of no legislative proposal in all that time which has had the lengthy, careful, scrupulous, and complete attention the pending propositions have received.

Behind the proposal submitted by the distinguished Senator from West Virginia [Mr. KILGORE] and the distinguished Senator from Montana [Mr. MURRAY] is at least 6 months' work, not only by a subcommittee, but by the full Committee on Military Affairs.

Behind the Finance Committee bill is the work of the George Post-war Economic Policy and Planning Committee, which has been going on for another 9 months. We have had hearings upon hearings. There never has been a subject before the Senate which has been so thoroughly heard.

The proposed legislation which is presented here has the original background of the Baruch report; it has the background of the studies of the Military Affairs Committee; it has the background of the studies of the George Post-war Economic Policy and Planning Committee; it has the background of the studies of the Finance Committee.

Mr. President, to my mind it is simply fantastic to suggest that that presents

a situation as to which the Senate is not adequately informed.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Kentucky.

Mr. BARKLEY. I have in my hands one part of the hearings held before the Committee on Military Affairs of the United States Senate on Mobilization and Demobilization Problems, dated August 3 and 4, 1944. The volume which I hold in my hand, dated August 3 and 4, is part 10 of the hearings which have been held on this subject by the Military Affairs Committee, and all the hearings contained in parts 1 to 9 were held before the Congress of the United States adjourned on the 23d day of June.

Mr. VANDENBERG. The Senator from Kentucky is correct and I add that before Congress adjourned the last thing the Senate Finance Committee did was to sit for a week on unemployment compensation, and we heard witnesses from practically every State in the Union.

Mr. President, I do not know how a more complete record could be made. I do not know how one can ever expect or hope to obtain more earnest attention to the development of the record, the testimony, and the net result, than has been given upon one side of this argument by the distinguished Senator from West Virginia [Mr. KILGORE] and the distinguished Senator from Montana [Mr. MURRAY], and on the other side by the distinguished Senator from Georgia [Mr. GEORGE] and his associates. The record is complete. It could not be more complete.

This is what has happened, Mr. President: We have joined issue on the floor of the Senate in a controversy that has to be settled in the Senate. It never can be settled in a committee. It ought not to be settled in a committee. It should be settled by Senators in their seats answering "yea" or "nay" on the roll-call vote.

Mr. President, in my opinion this controversy can never be determined in committee. I have the greatest respect in the world for the distinguished Senator from Connecticut [Mr. MALONEY], who submits this motion; I know the complete good conscience with which he does it; but I respectfully submit to him, out of a rather intimate relationship with the whole problem for the past year, that there is nothing to be gained by recommitment except the probability that the controversy has been postponed and reinforced to such a point that even though it be brought back to the Senate under the Senator's amendment to his own motion it means that there will be no legislation of this nature until after election, and, Mr. President, pray God, that means after the war in Europe is conclusively terminated, but God help us if the war in Europe is conclusively terminated before this Congress has concluded its obligation with respect to reconversion legislation.

Mr. President, I hope the motion will be defeated.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield the floor.

Mr. MALONEY. I want to speak in the Senator's time. I do not intend to ask a question. I wish to make a brief observation.

Mr. VANDENBERG. I yield.

Mr. MALONEY. Lest the Senator from Michigan be misunderstood by any Member of the Senate, let me make it clear that I am not trying to avoid taking a position now. Let me say that if the bill is not recommitted I shall with great reluctance support the George amendment. I shall without reluctance oppose the Murray-Kilgore amendment.

I should like to add, Mr. President, that while the Senator points to the lengthy hearings and the careful study which has been made it has resulted in the most violent disagreement among Senators, and I express the fear now that unless the bill is recommitted for further calm, careful study, we are not going to have legislation until after the election in November, and I deplore that. I want haste. I realize the serious need which exists. But in my judgment we have got to give further careful, calm study to the subject before we can act intelligently. I am in entire disagreement with the views of the majority leader and the able Senator from Michigan, and I am very hopeful that the bill will be recommitted.

Mr. GEORGE. Mr. President, I do not wish to delay action on the motion. A similar motion was made by the distinguished Senator from Vermont [Mr. ARKEN] yesterday in the Senate. I do, however, wish to make a statement about the proposed legislation.

Shortly after the adoption of the resolution creating the Special Committee on Post-war Economic Policy and Planning, a study of the whole general question of war mobilization and demobilization was undertaken. It was my original plan and purpose to bring in one bill dealing comprehensively with all the different segments of that very broad and wide question. Then the question of committee jurisdiction arose both in this body and in the House of Representatives, and it was deemed wise to separate phases of the general problem into separate problems. It seemed necessary to do that if we hoped to get anywhere. But we made the studies, and we have gone at it in a rather backhanded way. Of course, logically, the first thing to do was to determine the administrative machinery for the whole problem of mobilization and demobilization. But when the matter first arose on the floor it seemed necessary to take out of the bill then pending certain titles which covered immediately pressing problems, and separate them from the full problem.

This Congress has passed a bill dealing with contract termination, adjustment, plant clearance—a most important piece of legislation. It was passed first by the Senate. It went to the House. It has gone to the President and has been approved by the President.

Then, while not directly within the scope of the committees' studies and program, a G. I. veterans' bill was considered. That, of course, come out of

the Senate Finance Committee. It was passed by the Senate. It was passed by the House, went to conference, and finally passed both bodies and became law. That bill deals in a comprehensive way with the education of the veterans, of the men and women in the armed services, with unemployment compensation for 2 years after discharge, loan provisions for the benefit of the soldiers, replacement in case they become unemployed, and other important questions affecting the soldiers.

Also there was pending in the Military Affairs Committee legislation to which the distinguished majority leader has referred.

When we came back here after the adjournment it was deemed wise, and I still think it was wise, to do something with respect to the Social Security Act itself, and to do something for the larger group of Federal employees who presently will become unemployed, or at least who are likely to fall in the first casualty list of our present employed workers. So the Finance Committee brought out Senate bill 2051 which is before the Senate, which is a simple bill, but which does make possible the coverage of more than three and one-half million Federal civilian workers, sets up a revolving loan fund through which the security of the several State unemployment funds may be strengthened, and makes some other necessary technical provisions in the Social Security Act.

That bill was brought before the Senate. In the meantime the Military Affairs Committee bill was reported. A motion was made to amend the bill reported by the Finance Committee, not by striking out its language but by inserting the Military Affairs Committee bill. Three titles of the Military Affairs Committee bill were offered as amendment No. 1 to precede the text and language of the Senate Finance Committee bill, Senate bill 2051. That is a simple parliamentary situation.

There is some difference, and it is a difference in principle rather than in technical provisions. There is a difference in principle, and in some technical respects, of course. The two bills differ—that is, the amendment which I offered to amendment No. 1 offered by the distinguished Senator from Montana [Mr. MURRAY] and the amendment offered by the Senator from Montana. They differ somewhat, but there ought not to be any confusion so far as the amendment which I have offered is concerned. It cuts straight down the line. So within 10 minutes anyone can understand this bill.

It sets up an office of demobilization and reconversion. It provides for the appointment of a director, and then brings into that office the Office of Contract Settlement created by the Contract Settlement Act to which I have referred. It brings in also the Surplus War Property Administration created by Executive order of the President, and any surplus war property administration hereafter created by statute. It brings in the Retraining and Reemployment Administration, created by Executive order, of which General Hines was designated as

the Administrator or Director. It at once transfers every function pertaining to the veterans to the Veterans' Administration itself. It also provides for the transfer to that office, which is a supervising office, an office which will simply direct the various other offices which have been set up by the Congress dealing with the reconversion period and the mobilization period, of other organizations which have been set up by the President under Executive order.

The bill is careful to extend no power beyond the existing powers in the President and in the offices already created by the Congress. It is careful to give full power to bring those offices together and direct them under one responsible head.

The only real issue before the Senate, aside from a conflict of philosophy and certain technical provisions in setting up the machinery and providing for the bringing together of the various agencies under the directing head of the Director of Demobilization, arises under the unemployment compensation features of the bill.

In the first place, the Military Affairs Committee bill would substantially repeal title V of the veterans' bill, the so-called G. I. law. I do not mean to say that the benefits are proposed to be lowered. It would repeal or amend the mustering-out pay bill by doubling the payments under that bill. But the thing to which I have objected, and to which I shall always object—and it is an issue which must be settled here—is that it lifts the affairs of the veterans out of the Veterans' Administration, under General Hines, and out of the new office created by Executive order of the President of the United States, of which General Hines is the Administrator. He immediately made transfer of everything pertaining to the veterans to the Veterans' Administration. That is where the veterans want it.

The issue has been one of long standing. Machinery is being set up at this hour which must be in operation in September to administer the Veterans' Act in the Veterans' Administration. That is the first sharp issue.

Mr. MALONEY rose.

Mr. GEORGE. I do not assume that the Senator from Connecticut takes issue with my statement.

Mr. MALONEY. Mr. President, I do not take issue. I do not believe the Military Affairs Committee takes issue. I believe that the bill was so hastily—and I use that word rather than "carelessly"—drawn that the members of the committee did not realize what they were doing in that particular respect.

Mr. GEORGE. That is what happened, and it is what will unavoidably happen if we adopt the Military Affairs Committee provisions with respect to veterans. We shall have the ridiculous situation of General Hines building up a vast organization which would function only from September 20 until 3 months after the passage of this bill, when another vast organization would have to be built up and put together.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CLARK of Missouri. May I suggest to the Senator that the so-called Military Affairs Committee bill, the Kilgore-Murray bill, was not drawn by any one who was in the slightest degree interested in the welfare of the veterans? [Laughter.]

Mr. GEORGE. Of course the issue as to whether we are to increase the mustering-out pay of the soldier before payments have well begun is another straight issue.

We all know by this time that the bill would more than double the mustering-out pay provided by a measure which had separate congressional consideration. Actually the maximum mustering-out pay under the terms of the Military Affairs Committee bill might go as high as \$1,050, which very closely approaches the old World War No. 1 adjusted-compensation provision. However, I do not wish to stress the merits of the bill, further than to say that that is the issue in respect to mustering-out pay.

There is a straight issue as to whether or not we are to interfere with the unemployment-compensation provisions and the educational provisions for veterans; and, above everything else, whether or not we are to take the affairs of our veterans out of their own agency and throw them into a new agency under the scheme outlined in the bill. That question is involved in the unemployment compensation features of the bill.

On the other vital question—and there is no way, until that issue is settled, for us to proceed intelligently—the bill raises the square issue, contrary to the conclusion which we reached in the Special Committee on Post-war Economic Policy and Planning, respecting the State unemployment compensation systems. It raises squarely the issue of whether the integrity of the State systems is to be preserved or whether those systems are to be swallowed up and overshadowed by a Federal system which in the nature of things cannot be properly cognizant of the problems and needs for unemployment compensation in all the States.

So there is the issue. Are we going to let the States take care of their own unemployment compensation funds? Are we going to let the administration of those funds remain in the hands of the States? In the bill which has for its purpose the provision of unemployment compensation for workers, are we going to provide additional or increased benefits for veterans? Or will we let those matters stand where we left them, after conferences with many persons from all over the country? Those, Mr. President, are the real issues confronting the Senate.

So far as the pending bill is concerned, I very frankly say that the amendments I have offered to the bill reported from the Committee on Military Affairs simply cut straight down the line. They follow the President of the United States in his effort to meet the pending reconversion problem, and supplement his efforts in that respect, and give them the backing of congressional approval. We simply follow his efforts.

I am frank to say that no new power is given; no power is increased. But under the provisions of the bill there would

be set up an office into which all the various agencies would be brought under congressional approval. The program is a simple one. It means no new bureau, no vast organization, no complications. Of course, it does vest some power. Power must be vested somewhere if we are to meet the problem which lies ahead of us.

I sincerely hope the Senate will vote down the motion to recommit the bill. Let us face these issues.

On that point, Mr. President, let me make a further statement, since I may not speak again during this debate. If it is decided that we will protect and preserve the integrity of the State unemployment compensation systems—and I sincerely hope we will decide to do so—and if in the months which lie immediately ahead of us it turns out that the Congress desires to go beyond what the State systems do for the unemployed, it will be within the power and competency of the Congress to make provision for additional aid and assistance to unemployed workers. The Congress will be able to do that without destroying or federalizing the State systems. That problem would come to us as a new one, one which we could take our time in handling, and one into which we could look.

There will be no vast amount of unemployment immediately; we all know that to be so. The real urgency here does not arise because anyone fears there will be any vast unemployment immediately, as a result of cut-back after cut-back. The workers engaged in the plants in which the cut-backs occur may sooner or later be unemployed. But there is a vast demand for new workers in almost every branch of industry in the country. Civilian enterprise, as soon as it can get back to work, consistent with the first, primary, main job of winning the war, will absorb a great many of our workers.

The present situation is brought about because of the selfish, partisan motives of special groups in this country. I am mincing no words. They want to tie it in with contract termination and with aid for veterans. They are not willing to wait until we can provide the simple machinery for clearing out the plants, settling the contracts, setting up an agency which will deal with the distribution of surplus property, and getting the machinery running again. They insist that they must have legislation dealing with unemployment compensation passed at once.

I want the workers to be provided for. I want adequate protection afforded them. But if tonight we pass the bill which has been reported from the Committee on Military Affairs, all America will know that we have increased unemployment by 25 percent, for we will not only discourage every business and every enterprise but we will invite idleness, because of the exorbitant allowances provided by the bill to unemployed persons and to great classes of people who temporarily have gone into war work in order to earn some of the high wages prevailing at the moment, with no thought of permanently remaining in the labor market.

Yet they may cease employment and draw a pension. It is a pension. It has no remotest resemblance to unemployment compensation.

Of course, the sponsors of the bill reported from the Committee on Military Affairs finally did submit an amendment which provides that the placement payments made should be related to the income received. But what does the bill provide in the way of unemployment compensation about which we have been talking? It provides for payments commencing 3 months after it passes, and lasting until the end of all hostilities, perhaps 3 years or 5 years hence. Does the bill provide for payments to be made for a only a limited period of time? No, Mr. President, it provides that payments shall be made for every day in every year until the war ends. What is that but a pension? What remote connection has it with unemployment compensation? It does not even resemble it.

Those are the issues. But we can never get anywhere until we say how we will treat the veterans, and whether we think the time has already come—before the first law we put on the statute books has even begun to be administered, except in minor particulars—to increase the benefits under that bill or, primarily, whether we think we should strip the Veterans' Administration of full jurisdiction over veterans' affairs.

The second question we must answer is whether we are going to leave the State systems of unemployment compensation unimpaired, and whether we are going to permit the people of the States to determine what they will do with the intimate job of deciding what their own people should receive when they are temporarily out of work, and for how long a period. Are we going to perform the whole duty here?

There is nothing complicated about the issues. They are clear-cut and definite, and I think we are ready to vote on them.

Mr. BANKHEAD. Mr. President, if the Senator will yield to me, I desire to ask him a few questions, in addition to those which previously have been asked, about what the cost of operation of the bill will be. How many employees in industry would be eligible for compensation or pension, or whatever it may be, under the Kilgore bill?

Mr. GEORGE. All except domestic servants in private homes, employees of a foreign government, and fathers who are employed by their sons or sons who are employed by their fathers, as the case may be. They are not covered.

Mr. BANKHEAD. I should like to ask another question, Mr. President. What information does the committee have about what number of workers will be involved?

Mr. GEORGE. The evidence before the Special Committee on Post-war Economic Policy and Planning shows that approximately 61,000,000 or 62,000,000 persons are gainfully employed in the United States at this time. I think that included the men and women in the armed service, but I am not sure.

Mr. BANKHEAD. This would not apply to all persons who were gainfully employed, would it?

Mr. GEORGE. It would apply to all but domestic servants in private homes, and, practically, to employees of foreign governments.

Mr. BANKHEAD. It would not be limited, then, to those engaged in war production?

Mr. GEORGE. Oh, no.

Mr. BANKHEAD. It would cover the whole population?

Mr. GEORGE. Yes; with two or three minor exceptions.

Mr. BANKHEAD. Can the Senator give us any information about the probable cost which would be involved?

Mr. GEORGE. We have had that subject under discussion with the Social Security Board itself on the basis of assumed conditions of a fact. Those assumptions had to be drawn, and they are debatable. The Board concedes it. They assume that unemployment will reach a peak of 8,000,000 by the end of 1945, and that on the basis of that assumption, coupled with certain other assumptions which I have already placed in the RECORD, the total cost of the bill over and above all existing obligations of the State and Federal Governments would run to \$10,400,000,000.

Mr. BANKHEAD. I thank the Senator.

Mr. KILGORE. Mr. President, I wish to make a brief reply to the remarks of the senior Senator from Missouri [Mr. CLARK] and also in connection with what has been said with reference to the Veterans' Administration.

The bill specifically provides that the administration of the titles which have been referred to shall be placed in the existing agencies adapted to carry them out. Naturally, none of the members of the Military Affairs Committee being veterans, as intimated by the senior Senator from Missouri [Mr. CLARK], it is evident that anyone administering an act like the one proposed would certainly place veterans' affairs under the administration of the Veterans' Administration.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut [Mr. MALONEY] to refer the pending bill to the Finance Committee. On this motion the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a pair with the junior Senator from South Dakota [Mr. BUSHFIELD]. I understand that if he were present and voting he would vote as I intend to vote. Therefore I am free to vote. I vote "nay."

Mr. HAYDEN (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. NYE]. I am advised that if he were present he would vote as I intend to vote. Therefore I am free to vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I am advised that if he

were present he would vote as I intend to vote. Therefore I am free to vote, I vote "nay."

Mr. WAGNER (when his name was called). I have a pair with the junior Senator from Kansas [Mr. REED]. I am informed that if he were present he would vote as I intend to vote. Therefore I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], the Senator from Montana [Mr. WHEELER], the Senator from Nevada [Mr. SCRUGHAM], and the Senator from Wisconsin [Mr. LA FOLLETTE] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. McCARRAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

I am advised that if present and voting the Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from Montana [Mr. WHEELER], the Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Oklahoma [Mr. THOMAS] would vote "nay."

Mr. WHERRY. The senior Senator from Oregon [Mr. HOLMAN] and the senior Senator from North Dakota [Mr. NYE] are necessarily absent. If present, they would vote "nay."

The junior Senator from Minnesota [Mr. BALL], the junior Senator from Idaho [Mr. THOMAS], the junior Senator from Kansas [Mr. REED], and the senior Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

The result was announced—yeas 14, nays 59, as follows:

YEAS—14

Alken	Langer	Shipstead
Chandler	McKellar	Stewart
Connally	Maloney	Tunnell
Green	O'Daniel	Walsh, N. J.
Jackson	Russell	

NAYS—59

Andrews	Ferguson	Radcliffe
Austin	George	Revercomb
Bankhead	Gerry	Reynolds
Barkley	Guffey	Robertson
Brewster	Gurney	Taft
Brooks	Hatch	Thomas, Utah
Buck	Hawkes	Tobey
Burton	Hayden	Truman
Butler	Hill	Tydings
Byrd	Johnson, Calif.	Vandenberg
Capper	Johnson, Colo.	Wagner
Caraway	Kilgore	Wallgren
Chavez	McClellan	Walsh, Mass.
Clark, Mo.	McFarland	Weeks
Cordon	Maybank	Wherry
Danaher	Mead	White
Davis	Millikin	Wiley
Downey	Moore	Willis
Eastland	O'Mahoney	Wilson
Ellender	Pepper	

NOT VOTING—23

Bailey	Glass	Overton
Ball	Holman	Reed
Bilbo	La Follette	Scrugham
Bone	Lucas	Smith
Bridges	McCarran	Thomas, Idaho
Bushfield	Murdock	Thomas, Okla.
Clark, Idaho	Murray	Wheeler
Gillette	Nye	

So Mr. MALONEY's motion to recommit was rejected.

Mr. KILGORE obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I yield.

Mr. BARKLEY. I should like to inquire to what extent further discussion is contemplated before a vote, and whether it is the desire of Senators to remain here until we have concluded the vote, or go over until tomorrow. Senators around me say "yes," we should remain. If I may take them at their word, I expect every one of them to remain in the Senate until the vote has been taken, and not leave the Chamber as soon as we get into further discussion. I am merely trying to ascertain what the Senate desires to do. So far as I am concerned, I would as soon remain here until we finish, or go over until tomorrow.

Mr. WHITE. Will the Senator yield?

Mr. BARKLEY. I have not the floor.

Mr. KILGORE. I yield to the Senator from Maine.

Mr. WHITE. Speaking for myself, and I believe the overwhelming majority upon this side of the aisle, I think the sentiment is that we should remain in session, and give of our time, give of our energy, give of our thought, to the consideration of the pending business, and speed it on its way. There may be some confusion as to details, but I think the principles underlying the proposed legislation are clear in the minds of Senators, and that we should be able to take a definite stand with respect to them.

Mr. President, out of my political experience I have found that the people will forgive mistakes of judgment, but in a great crisis they expect a legislative body to act, they expect a legislative body to remain in session, giving of itself to the working out of wise solutions of problems which confront them. They do not want dilatory action, or inaction. They do not want excuses for not doing the things which are ahead of us to be accomplished.

I think the people would applaud our decision to remain in session and work on this legislative proposal before us until we have brought it to a conclusion, and I hope the majority leader will determine upon that course.

Several Senators. Vote! Vote! Vote!

Mr. BARKLEY. If the Senator from West Virginia will again yield, may I ask to what extent further discussion is to be indulged in prior to a vote? I suppose the first vote will be on the amendment of the Senator from Georgia [Mr. GEORGE] to the Military Affairs Committee bill, as I understand the parliamentary situation.

Mr. KILGORE. Mr. President, I have no idea of making a speech. I am merely about to suggest a couple of amendments.

Mr. BARKLEY. Of course, that is in order.

Mr. KILGORE. They are amendments which should be offered before the bill is voted on.

Mr. BARKLEY. The Senator from Montana can modify his own amendment if he desires.

Mr. KILGORE. I cannot make a modification, so I am suggesting an amendment.

Mr. BARKLEY. In view of the overwhelming vote against the motion to recommit, I think it is apparently the feeling of Senators that they understand the legislative proposal well enough to go through with it and pass upon it at the very earliest moment. I personally had been hoping we could conclude the consideration of the bill today, and if Senators are willing to remain in the Chamber and hear whatever is said, there will at least be a clearer understanding than if they depart from the floor of the Senate and come in when a roll call has been started.

Mr. TOBEY. Mr. President, will the Senator from West Virginia yield to me?

Mr. KILGORE. I yield.

Mr. TOBEY. I am in hearty sympathy with what the Senator from Kentucky has said. We now have an attendance in the Senate the like of which we have not seen for months, an exceedingly large number. Let us act. We know the subject; we have rejected the motion to recommit. Why not let us have a vote and clear this business up? We are ready for the vote.

Mr. HATCH. Mr. President—

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. HATCH. As I was about to ask the Senator from West Virginia to yield, cries arose of "Vote! Vote! Vote!" I am willing to remain here as long as anyone else, so long as any Senator of the United States has anything to offer, and I trust what may be offered will be received courteously and considered, I hope, intelligently.

Mr. KILGORE. Mr. President, I thank the Senator from New Mexico.

Under the rules it is impossible for anyone other than a Senator who offered an amendment to suggest modification to it, but I should like to suggest that in committee print No. 2, S. 2051, which is the amendment offered to the original George bill, at page 22, line 7, it be amended by inserting after the word "dependent" the words "and \$20 per week if he has one or more dependents", striking out the words "\$18 if he has one dependent, and \$24 if he has two or more dependents."

The second amendment I suggest is on page 24, in the same print, at line 7, the end of the line, following the word "wages."

The VICE PRESIDENT. If the Senator will take advantage of a different print of the bill which the Chair is sending him, it may facilitate matters.

Mr. KILGORE. I am talking of the print of August 9. The one which has been handed me by the clerk is dated August 8.

Mr. TAFT. The Senator from West Virginia referred to the print which says "Committee Print No. 2, with clarifying amendments, August 9"?

Mr. KILGORE. That is correct, and I shall furnish the marked copy to the clerk.

At the end of line 7, before the colon, I propose to insert a comma and the words "but in the case of no employee shall the weekly payment be less than \$8 per week."

In line 10, on the same page, after the word "dependents" insert the word "and" before "\$25"; and in line 11, after the word "one", insert the words "or more", and change the word "dependent" to "dependents", striking out the remainder of line 11 and line 12 down to the colon, making the sentence read:

For a qualified employee the "interim placement benefit" payable for a week of reemployment in any benefit year shall be 75 percent of the "weekly wages," but in the case of no employee shall the weekly benefit payment be less than \$8 per week: *Provided, however,* That these amounts shall be rounded upward to the nearest dollar, but shall not in any event exceed \$20 for an individual if he has no dependents and \$25 if he has one or more dependents.

That applies only to workers. It does not affect benefits with reference to veterans.

Mr. MURRAY. Mr. President, the amendments suggested by the distinguished Senator from West Virginia have the approval of Senators supporting the Military Affairs Committee bill, and I therefore accept the amendments as modifications of my amendment.

Mr. REVERCOMB. Mr. President, I make this inquiry for information. The modifications now made will not change the structure of the administration of the bill as reported by the Military Affairs Committee. Is that correct?

Mr. MURRAY. Except as amended previously. The bill has been amended heretofore.

Mr. KILGORE. The bill has had a number of clarifying amendments placed in it heretofore.

Mr. REVERCOMB. I understand that, but the suggestions made today only change the amounts; is that correct?

Mr. MURRAY. The modification merely changes the amount provided in the bill.

Mr. BARKLEY. Mr. President, may I ask the Senator from Montana a question? The effect of the Senator's amendment, his own modification, according to the suggestion of the Senator from West Virginia, is that whereas the original bill provided in case of dependents as high as \$35 per week in case of three or more dependents, the Senator now reduces that to a maximum of \$25 in case of one or more, does he?

Mr. MURRAY. That is correct.

Mr. BARKLEY. That is the substantial effect of that part of it. And then the other amendment on page 22, in lines 7 and 8, provides \$20 in line 7 where it now provides \$18, and eliminates the \$24; is that correct?

Mr. MURRAY. That is correct.

Mr. BARKLEY. And in addition to that fixes a floor of \$8 a week below which the compensation cannot go?

Mr. MURRAY. That is correct.

Mr. MEAD. Mr. President, I do not intend to take very much of the time of

the Senate, and I certainly shall not delay the vote on the bill more than a few minutes.

Mr. GEORGE. Mr. President, will the Senator permit me, now that the vote seems imminent, to suggest two modifications to the text of the amendment which I have offered, and I will state what they do to the Senate?

Mr. MEAD. I am glad to yield to the Senator.

Mr. GEORGE. The first modification merely makes certain that nothing in the act shall modify or affect or amend the powers now vested in the Veterans' Administration or the administration of veterans' affairs relating to the veterans themselves.

Mr. MURRAY. On what page is that?

Mr. GEORGE. On page 13 of the amendment of August 8 there is a rewrite of subsection (a) of section 302, dealing with the Retraining and Reemployment Administration. The modification thereof simply conforms with the existing Executive order, and declares that nothing in the section shall to any extent affect, amend, or modify the powers now vested in the Veterans' Administration or the Administrator of Veterans' Affairs. I send the modification to the desk.

The second modification, Mr. President, is one which was accepted heretofore by the Senator from Montana [Mr. MURRAY], the amendment known as the O'Mahoney amendment, which was read and presented to the Senate, and accepted by the proponents of the amendment. I am willing to accept it here with a reduction in the salaries of the three members of the appeal board who are to pass on the question of allocation of materials where any agency decides to release its material, from \$10,000, as stated in the original amendment, to \$8,000, and that is agreeable to the Senator from Wyoming [Mr. O'MAHONEY]. I wish to modify the amendment in that respect.

The modification is as follows:

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of \$8,000 per year, and shall serve for a term of 2 years. When any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or group of items for nonwar use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity, forthwith, to present his views thereon at a hearing before the Board of Appeals. If, at such hearing, such person establishes to the satisfaction of the Board of Appeals that as a result of such action his business operations will be seriously interfered with

or substantially curtailed because of a shortage of any material necessary to such operations, that his inability to continue business operations will result in a serious unemployment problem for his employees, or that the interests of the consumers of the articles produced or manufactured by such person will be substantially impaired, the Board of Appeals shall make an immediate report thereon to the Director. Thereupon the Director shall allocate to such person such amounts of the material with respect to which the shortage exists as in his judgment will be necessary to prevent substantial hardship to such person, his employees, or consumers.

Mr. TAFT. Mr. President, may we have the first modifying amendment read?

The PRESIDING OFFICER. The clerk will read.

The CHIEF CLERK. On page 13, it is proposed to strike out subsection (a) of section 302 and insert the following:

(a) to have general supervision and direction of the activities of all Government agencies relating to the retraining and reemployment of persons released from war work, including all work directly affected by the cessation of hostilities or the reduction of the war program and to issue necessary regulations in connection therewith. Nothing in this section shall be deemed in any extent to affect, amend, or modify the powers now vested in the Veterans' Administration or the Administrator of Veterans' Affairs.

Mr. MEAD. Mr. President, during the course of this debate the position of organized labor has been mentioned on numerous occasions. The impression was left that one group was enthusiastically supporting the Murray-Kilgore bill, and that other groups may or may not be actively concerned with its passage. I take the floor at this time to point out the position taken by the railroad organizations, and in doing so I read briefly from the national weekly publication called Labor, which is the organ that presents the position of the railroad workers of the country on matters of this character.

Mr. President, as far back as Saturday, April 6, 1944, Labor came out for the Kilgore bill with this heading:

Kilgore's post-war plan contains labor's safeguard.

There is a lengthy article in that issue which explains the provisions of the bill. On Saturday, April 15, the issue of Labor had this heading:

American Federation of Labor stresses urgent nature of the post-war problem. Sees danger of starvation and misery if matters are permitted to drift. Jobless army forecast. Present trend is toward debacle greater than after the close of last war.

Then it goes on to relate Labor's position in support of the bill introduced by the Senator from West Virginia [Mr. KILGORE] and the Senator from Montana [Mr. MURRAY].

In the issue of Labor for Saturday, June 3, there is found this heading:

Organized labor renews its fight for the Kilgore bill. Congress told that failure to plan for jobs may have disastrous results.

There follows a rather long statement favoring the passage of this bill.

In the issue for Saturday, June 17, is to be found another lengthy article on

the front page, the heading of which is:

Organized labor pressing battle for the Kilgore bill.

The article states that Mayor LaGuardia made a special trip to Washington to urge action on legislation sought by organized labor to protect workers from the ravages of post-war unemployment. Testifying before a Senate committee, the mayor came out flat-footedly for the Kilgore bill.

In the issue of Saturday, June 24, there is this heading across the entire front page of the newspaper:

Congress votes relief for business, but neglects the Nation's workers. Rail labor chiefs demand action on the Kilgore measure. Leaders insist human rights receive equal treatment with property rights.

In the issue of Saturday, July 8, there is an editorial across the top of the page entitled:

Four million workers will be jobless by the end of the year, A. F. of L. predicts in its plea for the Kilgore bill.

In the issue dated August 5 there is a large headline which reads as follows:

Reconversion is overshadowing issues. Unions request Kilgore bill. Workers must not be forgotten.

Then there is an article entitled:

The American Federation of Labor says: "We heartily endorse the Kilgore bill. It seeks to protect human rights as well as property rights."

In the most recent issue, the issue of Saturday, August 12, there is this heading:

Labor united for Kilgore bill.

The article explains that all the various units of organized labor favor the Kilgore bill. There is this subheading:

All elements of organized labor have forgotten their differences on other issues and are putting everything they have in an effort to gain approval of the Kilgore measure.

Mr. President, I bring these articles to the attention of the Senate because, as I stated at the beginning of my remarks, the impression has been left that labor is not united on this particular issue. The organized workers of the country are united, and they are pressing for the passage of the bill introduced by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE].

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. JACKSON. In connection with the very able statement of the distinguished Senator from New York, since he has been kind enough to yield to me in order that I may make a brief statement, I wish to say a word with respect to my personal understanding of the situation and my present mental attitude.

So far as I am concerned, let me say to the distinguished Senator from New York that I am under no misapprehension as to the desires of labor with reference to this bill. I think if I were to be categorized—which I hope I may never have to be, completely—I would be called a friend of labor. I shall vote

on the amendment and this bill as I can best conscientiously see them.

Let me say to the distinguished Senator from New York that I do not believe that either the George bill or the Kilgore bill is adequate and proper to meet the situation which the Nation confronts. I expect to vote against the George amendment; but I wish to have it clearly understood that the reason I shall vote against the George amendment is that I do not wish to go on record as approving the George bill as adequate to the needs of this country. It would do very little to meet the overwhelming shock which we can reasonably expect as a result of the great impact of unemployment due to the cessation of hostilities.

On the other hand, Mr. President, I wish my friends and the friends of the distinguished Senator from New York to understand that when I vote against the amendment offered by the distinguished Senator from Georgia I do not mean to be understood as approving the Kilgore bill. If the amendment of the distinguished Senator from Georgia should prevail, then any opportunity for the distinguished Senator from Montana and the distinguished Senator from West Virginia to get their bill into shape so that I could support it would be lost. So my vote against the George amendment will be a token vote in that respect.

Hence, I say to the distinguished Senator from New York that though I shall vote against the amendment of the Senator from Georgia, if his amendment should prevail, I expect to vote for the George bill, not because it fully meets the situation, but simply because it is better than no bill at all at this time.

Mr. MEAD. Mr. President, before taking my seat I wish to reiterate the fact that the Congress of Industrial Organizations, the American Federation of Labor, and the railroad organizations are united in support of the bill of the able Senator from West Virginia and the able Senator from Montana.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article from the Washington Post of August 8, 1944, entitled "State Jobless Pay Called Inadequate." The article states that there are defects in the State system which should be corrected; that the amount paid to the unemployed worker is entirely inadequate; and that the duration of the payment is not sufficiently long even to be termed "reasonable." I ask to have the article inserted in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of August 8, 1944]

STATE JOBLESS PAY CALLED INADEQUATE—SOCIAL SECURITY BOARD'S CHAIRMAN SEES PLANS FALLING SHORT OF RECONVERSION NEED

Arthur J. Altmeyer, chairman of the Social Security Board, has filed a report with War Mobilization Director James F. Byrnes indicating that State unemployment compensation systems will be unable to protect the Nation against widespread reconversion unemployment.

This report has assumed considerable significance in view of congressional consideration of proposals to supplement State unemployment benefits with Federal funds.

One high administration official who asked that his name be withheld emphasized yesterday that adequate provision must be made for unemployment compensation if workers are to be kept on war jobs until the war ends. At present officials are moving cautiously with reconversion planning to avoid stimulating a flight of workers from war jobs.

DEFECTS ARE CITED

Defects in State insurance systems listed by Altmeyer included:

Limited duration of benefits—28 States provided maximum benefits of 16 weeks or less, as of January, this year.

Low maximum weekly benefit amounts—22 States limit the maximum weekly benefit to \$15.

Limited coverage—Only 13 States cover employers of one or more employees. Others exempt small employers. About 2,000,000 workers in Government arsenals, depots, and navy yards and merchant seamen are not covered.

Unduly restrictive disqualifications.

"SPREAD" TOO NARROW

Failure to distribute the excessive financial burdens of reconversion unemployment over the entire country. Some States will exhaust their reserves to get by the reconversion period, while \$2,000,000,000 to \$3,500,000,000 of other reserves may be untouched in the hands of other States.

"The most serious inadequacy of State unemployment compensation laws," Altmeyer said, "if the limited period during which benefits can be drawn.

"In some States, an unemployed person can draw only 2 or 3 weeks of benefits. Even in the rather good year 1941, for the country as a whole, one-half of all claimants were still unemployed when they had exhausted their benefit rights.

"In 36 States, over 40 percent of the beneficiaries used up all their benefits; in three States, over 60 percent exhausted all rights. Many workers remained unemployed for long periods after exhausting their benefits."

One proposal before Congress is to provide Federal aid to extend emergency benefits up to \$35 a week until 2 years after the end of the war.

"The average weekly benefits of about \$12.60 for 1942 and \$13.80 for 1943 was only about one-third of the average weekly wage," Altmeyer said. "Thirty-two States pay higher rates for accident compensation than for unemployment compensation."

Benefits are often inadequate in States which have accumulated large reserves, Altmeyer said.

Oregon's reserve fund at the end of 1943 was large enough to pay benefits to 85 percent of employed workers, he said. North Carolina's reserve is large enough to pay benefits to 88 percent of employed workers, yet the average weekly benefit in 1943 was only \$7.10—lowest for any State.

Present reserves total \$5,000,000,000, enough to provide \$20 a week for 20 weeks to 12,500,000 workers if they were in a national pool. Altmeyer indicated. Divided as they are among the States a pattern of poverty and plenty is presented.

SEVEN-PERCENT COVERAGE

He cited research indicating that only 7 percent of the actual wage loss through unemployment in 1940 was covered by benefits. It was estimated that the States, under present regulations, would be unable to underwrite more than 10 percent of the anticipated reconversion unemployment loss.

"It does not seem possible that in the remaining time before the war ends, most State unemployment compensation laws will be sufficiently extended and improved to in-

tensify sufficiently the degree of protection against widespread unemployment," Altmeyer said. "The search for a solution to the problem must, therefore, proceed in other directions."

Mr. OVERTON. Mr. President, I differ with the view taken by the Senator from Indiana [Mr. JACKSON]. I wish to take a practical view of this question, and I hope a statesmanlike view. It is necessary that the Senate act in order that when the House acts there may be a bill in conference. In my humble judgment, this bill will be worked out in conference. I shall therefore vote for the George amendment; and if that is defeated, I shall vote for the Kilgore amendment, in order that the bill may be sent to the House and go to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Georgia [Mr. GEORGE], as modified, to the first Murray-Kilgore amendment, as further modified, striking all after section 101 of that amendment and inserting in lieu thereof certain language.

Several Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. AIKEN. Are we about to vote on the George amendment?

The VICE PRESIDENT. The question is on agreeing to the George amendment, as modified, to the first Murray-Kilgore amendment, as further modified.

Mr. AIKEN. As I understand, if the George amendment should fail, then there would be no opportunity to propose any amendment to that part of the Kilgore bill which has been offered as an amendment to the George bill; and, furthermore, the George amendment itself is not open to amendment.

As I understand, the amendment upon which we are now about to vote is not open to amendment.

The VICE PRESIDENT. That is correct.

Mr. KILGORE. Mr. President, what is the parliamentary situation?

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Georgia [Mr. GEORGE], as modified, to the first Murray-Kilgore amendment, as further modified, striking out all after section 101 of that amendment and inserting in lieu thereof certain language.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. NYE]. I transfer that pair to the senior Senator from Nevada [Mr. McCARRAN], and will vote. I vote "nay." I announce that if the Senator from Nevada [Mr. McCARRAN] were present, he also would vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hamp-

shire [Mr. BRIDGES]. I transfer that pair to the senior Senator from Oklahoma [Mr. THOMAS], who, if present, would vote "nay." Having transferred my pair, I am at liberty to vote. I vote "nay."

Mr. WAGNER (when his name was called). I have a general pair with the junior Senator from Kansas [Mr. REED]. I transfer that pair to the junior Senator from Nevada [Mr. SCRUGHAM], who, if present, would vote "nay." Therefore, I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic.

The senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], the Senator from South Carolina [Mr. SMITH], the Senator from Montana [Mr. WHEELER], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Nevada [Mr. SCRUGHAM] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

The Senator from North Carolina [Mr. BAILEY] and the Senator from Wisconsin [Mr. LA FOLLETTE] are paired. I am advised that, if present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "yea" and the Senator from Wisconsin [Mr. LA FOLLETTE] would vote "nay."

The Senator from Idaho [Mr. CLARK] and the Senator from Iowa [Mr. GILLETTE] are paired. I am advised that, if present and voting, the Senator from Idaho [Mr. CLARK] would vote "yea" and the Senator from Iowa [Mr. GILLETTE] would vote "nay."

Mr. JOHNSON of Colorado. The senior Senator from Montana [Mr. WHEELER] is unavoidably detained. If he were present he would vote "nay."

Mr. DAVIS (after having voted in the negative). I have a pair with the junior Senator from South Dakota [Mr. BUSHFIELD]. I understand that if he were present he would vote "yea." Therefore, I withdraw my vote.

Mr. WHERRY. The following Senators are necessarily absent: The senior Senator from New Hampshire [Mr. BRIDGES], the senior Senator from North Dakota [Mr. NYE], the junior Senator from Kansas [Mr. REED], the senior Senator from Oregon [Mr. HOLMAN], and the junior Senator from South Dakota [Mr. BUSHFIELD]. I am advised that if those Senators were present, all of them would vote "yea" on this question.

The Senator from Minnesota [Mr. BALL] and the Senator from Idaho [Mr. THOMAS] are necessarily absent.

The result was announced—yeas 49, nays 25, as follows:

YEAS—49

Andrews	Brewster	Burton
Austin	Brooks	Butler
Bankhead	Buck	Byrd

Capper
Caraway
Chandler
Clark, Mo.
Connally
Cordon
Danaher
Eastland
Ellender
Ferguson
George
Gerry
Gurney
Hawkes

Johnson, Calif.
McClellan
McKellar
Maloney
Maybank
Millikin
Moore
O'Daniel
O'Mahoney
Overton
Radcliffe
Revercomb
Robertson
Russell

Stewart
Taft
Tobey
Tydings
Vandenberg
Walsh, N. J.
Weeks
Wherry
White
Wiley
Willis
Wilson

NAYS—25

Aiken
Barkley
Chavez
Downey
Green
Guffey
Hatch
Hayden
Hill

Jackson
Johnson, Colo.
Kilgore
Langer
McFarland
Mead
Murray
Pepper
Reynolds

Shipstead
Thomas, Utah
Truman
Tunnell
Wagner
Wallgren
Walsh, Mass.

NOT VOTING—22

Bailey
Ball
Bilbo
Bone
Bridges
Bushfield
Clark, Idaho
Davis

Gillette
Glass
Holman
La Follette
Lucas
McCarran
Murdock
Nye

Reed
Scruggam
Smith
Thomas, Idaho
Thomas, Okla.
Wheeler

So Mr. GEORGE's amendment, as modified, to the first Murray-Kilgore amendment, as further modified, was agreed to.

The VICE PRESIDENT. The question now recurs on the—

Mr. GEORGE. Mr. President, the second amendment offered by the distinguished junior Senator from Montana [Mr. MURRAY] should be adopted.

The VICE PRESIDENT. The next step is on agreeing to the Murray-Kilgore amendment, as now amended by the George amendment. That step is purely a parliamentary one.

Mr. GEORGE. Yes. The second amendment offered by the distinguished junior Senator from Montana [Mr. MURRAY] should be adopted, because—

The VICE PRESIDENT. That amendment has not yet been offered.

Mr. GEORGE. I now offer it.

The VICE PRESIDENT. If the Senator will permit, the next question is on agreeing to the Kilgore-Murray amendment, as amended by the amendment of the Senator from Georgia.

Without objection, the amendment as amended is agreed to.

Mr. GEORGE. Mr. President, the junior Senator from Montana [Mr. MURRAY] offered an amendment, numbered 2, which should be adopted. It is technical, and relates to section or title numbers.

Mr. MURRAY. As I understand, the second amendment has already been offered.

Mr. GEORGE. It was offered. I move the adoption of the second amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. GEORGE. Mr. President, there is a third amendment of the Senator from Montana [Mr. MURRAY] to which I wish to offer two or three amendments. I invite Senators to refer to page 43, line 8, of the committee print numbered 2 of August 9. On page 43, in line 8, I move to strike out of title V the words "Housing and." I also move to strike out section 501, and renumber section 502 so as to read section 501. I also move to strike paragraph (c) of what is now section 502,

beginning in line 22 on page 44, and insert in lieu thereof the language which I send to the desk.

I will say in connection with the proposed amendment that it is merely to change the language in order to avoid a difficulty which the Public Works Administrator has brought to my attention.

The VICE PRESIDENT. The clerk will state the amendments offered by the Senator from Georgia.

The CHIEF CLERK. On page 43, in line 8, it is proposed to amend by striking out of the title the words "HOUSING AND."

It is also proposed to strike out section 501 and renumber section 502, so as to read section 501.

On page 44, after line 21, it is proposed to strike out paragraph (c) and insert in lieu thereof the following:

(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

On page 45, in line 8, it is proposed to strike out "Alaska, Hawaii, Puerto Rico."

Mr. GEORGE. Mr. President, I may say that the words "Alaska, Hawaii, Puerto Rico" are to be stricken out for the reason that those insular possessions are under the jurisdiction of the Interior Department. It has seemed unwise to bring them into a general planning program inasmuch as the Cabinet member at the head of the Interior Department is already in the field with full authority to act in the premises.

The CHIEF CLERK. On page 45, after line 22, it is proposed to strike out all of section 601, beginning with paragraph (c); and on page 54, line 4, to strike out the word "Adjustment" and insert in lieu thereof "reconversion."

Mr. GEORGE. Mr. President, I offer en bloc the amendments to the third amendment offered by the distinguished Senator from Montana [Mr. MURRAY].

The VICE PRESIDENT. Without objection, the amendments will be considered en bloc, and, without objection, the amendments to the amendment are agreed to.

Mr. MURRAY. Mr. President, I send an amendment to the desk and ask to have it read.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. At the proper place, it is proposed to insert:

SEC. 608. (a) The Secretary of Labor shall make a full study and investigation as to—

(1) the extent to which the adoption of annual wage systems would contribute to full employment and rising standards of living;

(2) the factors in favor of and against the adoption of various types of annual wage systems in various industries;

(3) present and past use of annual wage systems by particular industries or individual employers;

(4) other wage systems which might contribute to full employment and rising standards of living; and

(5) possible means to be used by the Government through tax advantages or otherwise in promoting adoption of annual wage systems or other wage systems designed to bring about full employment and rising standards of living.

(b) The Secretary of Labor shall submit to the President, the Senate, and the House of Representatives, within 6 months after the enactment of this act, and at such later dates as the Secretary may deem desirable, reports on the results of the studies called for in this section.

The VICE PRESIDENT. Does the Senator from Montana submit the amendment as an amendment to titles V and VI of the bill, or to some other part of the bill?

Mr. MURRAY. The amendment is offered to be inserted at the proper place in the bill.

The VICE PRESIDENT. It is not limited merely to titles V and VI?

Mr. MURRAY. It is limited to title V.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. REVERCOMB. Mr. President, I rise to inquire for information. As I understand, the proposed amendment would authorize a study and a report to be submitted.

Mr. MURRAY. Yes. The subject has been given considerable study during recent years. The system is already in operation in 36 or 38 corporations. I believe it is a matter which should be given study. It would be a solution to some of our very serious economic problems.

Mr. HATCH. Mr. President, I cannot allow the opportunity to pass without saying that for many months I have been definitely committed to an annual wage. I do not think the proposed amendment will produce an annual wage system, but I certainly hope that the Congress of the United States will make some expression favoring the principle.

Mr. TYDINGS. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a telegram from Gov. Herbert R. O'Connor of the State of Maryland in favor of the George bill, together with other telegrams in favor of either the George bill or the Kilgore bill.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ANNAPOLIS, Md., August 8, 1944.
Hon. MILLARD E. TYDINGS,
United States Senator,
Senate Office Building,
Washington, D. C.:

I urge your support of S. 2051. This proposal permits the States to continue to exercise the necessary freedom in the administration of their unemployment compensation laws. Any amendment to this proposal or any new measure designed to set up Federal standards means indirect Federal controls and subsidies contrary to the resolution unanimously adopted by the last Governors' Conference. The unemployment trust fund of Maryland is now in excess of \$100,000,000.

HERBERT R. O'CONNOR,
Governor.

BALTIMORE, Md., August 8, 1944.
Hon. MILLARD E. TYDINGS,
United States Senate:

Regarding pending Federal unemployment compensation bills, the Baltimore Association of Commerce desires again to record its strong opposition to any bill which tends to transfer

the control of unemployment insurance from the States to the Federal Government.

W. G. EWALD,
Secretary, Baltimore Association of
Commerce.

BALTIMORE, Md., August 8, 1944.
Hon. MILLARD E. TYDINGS,
Senate Office Building,
Washington, D. C.:

Urge you vote for Murray-Kilgore bill. This bill offers best solution for stabilized employment in the post-war era.

LEONARD E. KLINE,
President Local 109 United Electrical
Workers Committee of Industrial
Organizations.

BALTIMORE, Md., August 8, 1944.
Sen. MILLARD E. TYDINGS,
Senate Office Building,
Washington, D. C.:

We urge that you support the Kilgore Reconversion bill, Senate 2061. Only Federal action can bring about reconversion.

OUTSIDE MACHINIST SHOP COMMITTEE,
DAVID SIDES, Shop Steward,
C. W. STILLER,
Bethlehem Fairfield Shipyard.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. GEORGE. Mr. President, I have no objection to the amendment which has been offered by the Senator from Montana.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. REYNOLDS. Mr. President, the passage of the George bill—and evidently it will be passed if one is to judge by a preponderance of the vote registered a moment ago—will require the expenditure of several billion dollars with which to take care of our returning men and women in uniform, and also to take care of men and women who have been working in factories and plants on the home front.

We are called upon to make expenditures of billions of dollars to take care of the unemployed in this country. I shall vote for the George bill. I am very happy to be provided the opportunity of voting money for taking care of American citizens. But I am opposed to taking money out of the pockets of United States citizens and providing employment or upkeep or maintenance for any aliens. I believe that the taxpayers of this country are sick and tired and disgusted with having to pay for the maintenance and for the employment of those who are not American citizens. Therefore I shall provide the members of this body with an opportunity to say to the American taxpayers whether or not they want the American taxpayers to support non-American people who are in this country at the present time. I, therefore, offer the amendment which I send to the desk and ask to have read.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the proper place a new section reading as follows:

No alien shall be employed in any capacity in the administration of this act unless he has served honorably in the armed forces of the United States.

Mr. REYNOLDS. Mr. President, I ask, therefore, in view of the fact that we are taking money away from our American taxpayers, why we should take their money to employ an alien to administer this act? I therefore ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The amendment was agreed to.

Mr. REYNOLDS. Mr. President, I do not believe that American taxpayers should any longer be called upon to support aliens, non-American citizens. I do not think it is proper or right. Their burdens are beyond bearing at the present time. I therefore send to the desk another amendment which I ask to have read.

The VICE PRESIDENT. The clerk will read.

The CHIEF CLERK. It is proposed to insert at the proper place the following new section:

No alien shall be entitled to any benefits under this act unless he has served honorably in the armed forces of the United States.

Mr. REYNOLDS. In respect to that, Mr. President, I ask, why should we vote to take money out of the pockets of the taxpayers to pay noncitizens, aliens in this country? I ask for a vote.

Mr. PEPPER. Mr. President, I am sure the Senator does not wish to do anyone an injustice. I do not know whether the amendment would do an injustice or not, but I understand a period of years has to elapse between the time a foreign-born person makes application for citizenship before he finally obtains citizenship. To all intents and purposes that person might be a part of our citizenry. He might have filed an original application, and he might have filed his second papers. I believe there are three stages.

Mr. REYNOLDS. I do not want the amendment to apply to anyone who has applied for American citizenship. I modify it to that extent.

Mr. BARKLEY. Mr. President, I wish to ask the Senator a question.

The VICE PRESIDENT. Is the Senator also modifying his first amendment?

Mr. BARKLEY. Under the selective-service law, and also under the law permitting voluntary enlistments, which has been suspended on account of the draft law, there is an age limit beyond which no person can serve in the armed forces of the United States, not even a citizen. Does the Senator mean that anyone who happens to be in this country, who is an alien, who is beyond the age limit for military service so that he could not qualify under the amendment, would not be entitled to any benefits?

Mr. REYNOLDS. I certainly do mean that, because there are between five and six million aliens in the United States, and many of them have had more than 20 years in which to qualify for American citizenship, but have not done so. I say it is unfair for American taxpayers to have to continue to provide employ-

ment for noncitizens, or to provide money to sustain them.

Mr. TAFT. Mr. President, this amendment and this argument might have some bearing if the Kilgore-Murray bill were adopted, but under the George bill the only benefits paid are those paid to Government employees, two or three million people who have been working in Government plants. The theory of extending the act to them is that the United States is their employer, exactly as a private person may be an employer. Aliens are entitled to compensation under the unemployment-compensation laws of all the States as a matter of right, because they have worked in the United States. So also in the case of Government employees in the arsenals and navy yards, whether aliens or not. The way the payment of unemployment compensation differs from relief is that it is a contract right, part of the wages the people earn. Aliens are just as much entitled to it as are any citizens of the United States.

Mr. DOWNEY. Mr. President, inasmuch as the amendment will probably be decided on a voice vote, I wish to announce in advance that I shall vote in the negative. I think this amendment might result in innumerable tragedies in this Nation to innocent and unfortunate and law-abiding people. I think it is a matter which should have much more serious consideration than by being rushed through the Senate in this manner. I merely wanted to let my good friend, the distinguished Senator from North Carolina, know that my vote would be in opposition to the amendment.

Mr. GEORGE. Mr. President, I regret that the Senator has offered the amendment. I hope it will be voted down. There are only two instances in which direct money benefits would be given, under the bill as it now stands. First and principally is the provision which brings under the unemployment compensation systems of the States, or at the State levels, all Federal employees. If aliens have been employed by the Government and are in the employ of the Government, as the Senator from Ohio properly points out, they would have contributed; if they were working for private employers and are now working for the Federal Government, certainly they should not be precluded from making their payments into the system in order to protect them in the event they became unemployed.

The Senate should not adopt the amendment for the very simple reason that this would be an act most inconsistent with what we have done today. It would be a direct interference with the judgment and decision of the State authorities, who have provided by their law, for the payment of unemployment compensation.

Mr. REYNOLDS. Mr. President, I accept the Senator's view.

Mr. GEORGE. The only other instance is the case of the transportation of workers, and certainly if we have induced workers to work in the war plants we should not deny transportation for their return to their homes, whether they are aliens or citizens.

Mr. REYNOLDS. I withdraw the amendment.

Mr. GEORGE. I am very happy the Senator has done so.

Mr. REYNOLDS. Mr. President, I wish to give every member of this body an opportunity to be recorded on another question, a very important one. To repeat, which it is necessary that I do in discussing this particular amendment, the taxpayers of America are soon to be called upon to vote billions upon billions of dollars to be paid for many years to come in taking care of the unemployed. At the present time there are in this country between five and six million aliens. Many have been here for more than 20 years, but they have not thought sufficiently of this Government to make application for citizenship. Many have been here for less periods of time. As a matter of fact, aliens have been flocking to this country for years past, and are doing so now. The truth about the matter is that I have a report from the Department of Immigration in Philadelphia to the effect that since the present war began in Europe, on September 3, 1939, more than 580,000 aliens have come into the United States. How many have gone out of the country I do not know.

In view of the fact that our overburdened taxpayers in the United States are going to have to pay the unemployed, and in view of the further fact that we do not have enough jobs to go around, I think the time has arrived when we should close the gates, and not let anyone come into the United States until we have provided jobs for the citizens of our country, jobs for our men and women in uniform all over the world, jobs for our men and women who are now in war plants, and who will be unemployed, and who will have to be taken care of by the taxpayers when the war is over. When the war ends the great flood of money will cease, and there are going to be many individuals who will be broke. There will be a great deal of trouble because people will want work. With respect to the few jobs there are my opinion is that we should give them to our own citizens. If we have any jobs I think we ought to give them to the men and women from our respective States who are now bleeding and dying all over the world to make free the lands of those who have come to this country from Europe and other parts of the world and who are taking jobs here while our boys are fighting to save their homelands. The time has come, I think, when we should not let another alien come into this country until we have provided jobs for our own people, because those of our citizens who will not be employed must be supported by the taxpayers of this country.

Therefore I submit an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The Chief Clerk. At the proper place in the bill it is proposed to insert the following new section:

SUSPENSION OF IMMIGRATION

SEC. —. (a) After the date of enactment of this act, and until the expiration of 5 years after the termination of the present war as proclaimed by the President, no im-

migration visa shall be issued to any immigrant.

(b) Terms defined in the Immigration Act of 1924 shall, when used in this act, have the meaning assigned to such terms in that act.

Mr. REYNOLDS. Mr. President, instead of taking the time of the Senate, I ask to have published at this point in the RECORD a statement submitted by John B. Trevor on behalf of the American coalition, made before the Committee on Immigration and Naturalization of the House of Representatives.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REFUGEES, 1944

Mr. Chairman and gentlemen of the committee: Permit me on behalf of the American coalition to submit for your consideration the following statement in reference to the problem of refugees which has been raised by the President's message and the House resolutions which are now before the committee.

On June 12 the President, in a special message, advised Congress that he had authorized the making of arrangements for the entry into the United States of approximately 1,000 refugees. These refugees are to be placed, said the President, in a vacated Army camp on the Atlantic coast, were they would remain under appropriate security restrictions.

This order of the President raises two momentous questions, which demand the immediate and serious consideration of the Congress and the people of the United States. There is first the question of policy, and there is, then, the equally important question of constitutional law.

The policy of exclusion of refugees was considered in all its aspects following the First World War. Millions of people were not only displaced by war, but were in peril of extermination as a result of the revolutions which were the sequence of war in Russia, the Balkans, Hungary, and even in Germany itself. In the Russian terror, within a brief period, the Communist dictatorship slaughtered 1,800,000 men, women, and children under circumstances of ruthless barbarity. Two million or more fugitives from Russia alone clogged the highways and byways of the world. Millions more from all countries of Europe sought to migrate to the United States. The Honorable Albert Johnson, chairman of the House Committee on Immigration and Naturalization at that time estimated the total to approximate 10,000,000 people. Lack of transportation alone checked the influx at its inception.

Congress, however, recognized not only the economic peril to our American standard of living, but also, appreciated the political menace which would be incident to the entry of millions of people whose traditions were radically different from those established in North America by the founders of the Republic. Therefore Congress passed the first quota law, known as the Immigration Act of 1921. The failure of this law to meet expectations resulted in the passage 3 years later, of a more stringent measure. That law is now in force and is known as the Immigration Act of 1924.

In addition to these laws, the Congress, since the last war, has placed upon the statute books a number of measures providing for the exclusion of certain classes of aliens such as anarchists, and members of other subversive groups of a revolutionary character.

A review of the history of the present administration's policy of enforcement of this legislation and its efforts to weaken its tenor or block any extension of the provisions of existing statutes is too well known to need any review here. It will suffice to recall that

the act to register aliens was vigorously opposed by the administration until the advent of war made its passage by Congress inevitable.

In the autumn of 1942, the President sent a message to Congress asking that power be delegated to him to modify or annul any part or all of any immigration act then on the statute books. The reasons advanced in the President's message and the testimony of Government witnesses were wholly unconvincing and the Ways and Means Committee of the House of Representatives unanimously refused to report the bill.

The President has now revived the issue by ordering the admission of refugees outside of the regular immigration procedure. (See the President's cable to Ambassador Murphy published in the Department of State Bulletin of June 10, 1944.)

A careful analysis of the President's message of June 12 fails to disclose any moral or legal justification for this extraordinary action. The pertinent part of the President's message is summed up in the following words:

"Recently," said the President, "the facilities for the care of refugees in southern Italy have become so overtaxed that unless many refugees who have already escaped to that area and are arriving daily from the Balkan countries, can be promptly removed to havens of refuge elsewhere, the escape of refugees to that area from German-occupied territory will be seriously impeded. It was apparent that prompt action was necessary to meet the situation. Many of the refugees in southern Italy have been and are being moved to temporary refuges in the territory of other and friendly nations. However, in view of the number of refugees still in southern Italy, the problem could not be solved unless temporary havens of refuge were found for some of them in still other areas. In view of this most urgent situation it seemed indispensable that the United States in keeping with our heritage and our ideals of liberty and justice take immediate steps to share the responsibility for meeting the problem."

This statement by the President in his message to Congress on June 12 is amazing, because less than 2 weeks previously, in reply to a question at his news conference, Mr. Roosevelt said that he favored the establishment of "free ports" to facilitate the relocation of war refugees but that these ports need not be in the United States. (Cf. New York Times, May 31, 1944.)

The President might have added, if he had seen fit, that "since May 1, 1944, the United Nations Relief and Rehabilitation Administration has been administering in the Middle East six refugee centers" and also that "Camp Marshall Lyautey, near Casa Blanca, is a joint United States-United Kingdom undertaking to which stateless and other refugees in Spain are being removed so that other refugees may be able to enter Spain from enemy occupied areas." (Cf. Department of State Bulletin, June 10, 1944.)

In other words, there is no demonstrable urgency which demanded the issuance of an order by the President to ship 1,000 refugees to the United States for entry "outside of the regular immigration procedure," as he stated in his cable to Ambassador Murphy, to which reference has already been made.

The policy of assisting refugees to reach north Africa and maintaining them until an opportunity is afforded for their repatriation is as commendable and defensible as their introduction into the United States in defiance of law is reprehensible and indefensible.

The Congress and the American people must understand that the order of the President providing for the entry of 1,000 refugees establishes a precedent which should not be countenanced. The refugee problem in Europe, and, indeed, elsewhere, is not to be

settled by the admission into the United States of 1,000 aliens outside the regular immigration procedure.

The magnitude of the problem is suggested in the testimony of the Honorable Dean Acheson, Assistant Secretary of State, before a joint meeting of Deficiency and War Department Subcommittees of the House of Representatives on Foreign Relief. "Similarly," said Mr. Acheson, "when you come to the displaced persons problem, you have there something the like of which has never faced civilization before, so far as I know. You have in Europe 20,000,000 people who are away from their homes, in Asia probably 40,000,000 people. * * *

"Mr. TABER. Do you mean refugees?"

"Mr. ACHESON. Yes, there are 20,000,000 of these people. Most of them are in a country other than their own country. They are not the responsibility of the country where they are now found; they are the responsibility of the country to which they are going. They cannot be turned loose and sent back to the country to which they belong until that country is prepared to receive them."

The fact of the matter is that the refugee problem so far as it concerns the United States is the problem of U. N. R. R. A. for which the administration has asked the Congress to appropriate \$450,000,000, with an authorization to use an additional \$350,000,000. That is to say a total of \$800,000,000 for immediate use out of the \$1,350,000,000 of appropriations which the Congress has authorized.

A study of the records of migratory movements after the First World War and the testimony of the well-known news commentator, Mr. Henry J. Taylor, in his outstanding book entitled "Men in Motion," indicate that millions of people in Europe will seek not merely a temporary refuge overseas but rather a permanent severance of all ties with their native lands. "Europe," says Mr. Taylor, "remains overcrowded to the extent of something like 60,000,000 people." (Men in Motion, p. 104.) " * * * Europe's only hope is a second gigantic migration * * * " (ibid., p. 106).

"The story of migrations is the story of small movements which accumulate as the result of small events. As the small migrations accumulate the great waves of migration appear to be dormant, but when the accumulations have taken place events occur. And with these events, such as World Wars Nos. 1 and 2, the next great wave of migration breaks out again, and man populates the earth."

"Yet the chances are overwhelming that, if Americans are not exceedingly watchful, we shall find the Europeans knocking at the doors of the United States and urging us to let them in here."

"It hardly seems conceivable that we should be so dull and thoughtless as to permit this. But there are many indications that it can happen and that Africa, the other colonies, and the dominions will be passed over by the Europeans, preserved in very much their present state, while arguments will be advanced, presumably along so-called humanitarian lines, to obtain immigration to the United States" (ibid., pp. 108-109).

Mr. Taylor concludes his chapter "Europeans can make this contribution" with the following pertinent remarks, "First, all refugees are not good refugees. Europe was very glad to get rid of many of these people, some of whom exasperated everyone abroad with their infatuation for thinking and talking and not working. Others had been ceaseless trouble makers wherever they were, castigating all who disagreed with them and assuming a superiority to which they somehow claimed title by virtue of the fact that Europe was old and wise and they were Europeans. * * * Second, we should

not take any immigrants at all. We are doing other welfare services. We are doing them on a scale so vast that our gifts are nearly beyond enumeration. We should not receive refugees in exchange." Mr. Taylor speaks from personal observation. He has traveled over 100,000 miles by air. Men in Motion is a compilation of his findings. It is a great book and every American should read it and heed what he has to say.

Africa is the solution of the refugee problem. Our armies have overrun Morocco (the French Zone), Algiers, and Tunis. The British hold Egypt and conquered Tripoli. Tunis is only 303 miles from Naples. The area of its territory is something over 48,000 square miles, or approximately that of North Carolina. The population of Tunis is 2,608,313, with a density per square mile considerably less than that of North Carolina. Tunis has been a substantial exporter of foodstuffs. For example: In 1937 Tunis exported grain to the value of 232,025,000 francs; live animals to the amount of 24,824,000 francs; animal products, 72,834,000 francs; vegetable oils, 134,169,000 francs; beverages and wines, 152,104,000 francs; and fruits and seeds, 43,444,000 francs.

The city of Algiers, the capital of Algeria, is only 581 miles from Naples. The population of Algiers was, according to the census of 1936, 7,234,684, settled on an area of 847,000 square miles; that is to say, Algeria is only a trifle smaller than the combined areas of the States of Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada. Algeria, like Tunis, has been also a substantial exporter of foodstuffs. For example, in 1937, Algeria exported the following: Animal products valued at 426,218,000 francs and vegetable products at 3,379,701,000 francs. The French Zone of Morocco, which is now under our military control, has an area of approximately 200,000 square miles, or, let us say, about twice the size of the States of New York, New Jersey, and Pennsylvania combined. A census of the French Zone taken in 1936 shows a total population of 6,298,528. Agriculture is by far the most important industry and, like Tunis and Algeria, Morocco has been an exporter of foodstuffs. In 1938 Morocco exported cattle, sheep, and pigs to the value of 45,952,000 francs; eggs, 62,647,000 francs; wheat 192,849,000 francs; barley, 32,511,000 francs; dried vegetables, 59,498,000 francs, and fish, 90,373,000 francs.

It will be observed that the combined area of these sparsely settled provinces of North Africa is substantially greater than a third of the area of continental United States, and that it is not merely potentially an important source of foodstuffs but that prior to the outbreak of war it was a large exporter of these commodities to markets which are now closed. That is to say, these provinces are capable now of supporting a large population of refugees from their own resources provided that the allied military establishments are maintained by supplies shipped in from overseas. In this connection it must not be forgotten that the United States is now importing foodstuffs from the Argentine (cf. New York Sun, June 14, 1944) to supplement our domestic supplies. Inasmuch as the steaming distance from Buenos Aires to Algiers is only 5,453 miles as compared with a steaming distance of 5,871 miles to New York, it is wholly illogical to import refugees to the United States on the theory that it is easier to feed them here than in Africa.

When to these facts are added the hazards of shipping refugees 4,200 miles from Naples to New York in time of war, as compared with transporting them only 300 miles to Tunis and less than 600 miles to Algiers, the humanitarian argument is completely demolished.

The second question raised by the President's order to admit 1,000 refugees "outside of the regular immigration procedure"

presents to the Congress and to the American people a problem of constitutional law of the first magnitude. That question is this: Has the President the power to set aside an act or any part of an act of Congress restricting or prohibiting the entrance of aliens or certain classes of aliens into the United States on the theory that in time of war he has an unlimited reservoir of constitutional and statutory powers which are sufficient to sustain such extraordinary action? Here is what the President says: "You should bear in mind that since these refugees are to be placed in a camp in the United States under appropriate security restrictions, the procedure for the selection of the refugees and arrangements for bringing them here should be as simple and expeditious as possible, uncomplicated by any of the usual formalities involved in admitting people to the United States under the immigration laws." Excerpt from President's cable to Ambassador Murphy.)

It will be recalled that in the autumn of 1942, the President, in a special message to Congress, asked that the power be delegated to him to annul any immigration law or part thereof wholly, or to such extent as he deemed necessary, in order to facilitate his conduct of the war. In one of the introductory paragraphs of this memorandum it has been pointed out that when a bill providing for such a delegation of power came before the Ways and Means Committee of the House of Representatives for consideration, that committee unanimously declined to report the bill to Congress. This request from the President for a delegation of power and the testimony of the Attorney General before the Ways and Means Committee in support of what was called the third war powers bill would seem to establish beyond dispute that all preceding grants of authority did not go so far as to authorize any such order as the President has now issued in respect to the entry of the 1,000 refugees referred to in his special message to Congress on June 12, 1944.

In a letter to a United States Senator of which the substance is set forth in the New York Daily News of June 27, 1944, the Attorney General appears to have completely reversed the opinion that he gave to the Committee on Ways and Means of the House of Representatives on November 18, 1942, respecting the necessity of additional legislation to relieve the President from mandatory provisions of the immigration laws. He now seeks to draw an analogy between the admission of refugees under the President's order and the detention of prisoners of war outside of the requirements of these statutes. No such analogy is justified because the status of prisoners of war has definite statutory recognition and the conditions of their detention are specifically provided for in a series of international conventions to which the United States is a party. The most recent of these conventions is set forth in a United States Government publication, Treaty Series No. 846, entitled "Prisoners of War."

The reference by the Attorney General to the internment of the crews of Russian war vessels in the course of the Russo-Japanese War, is neither relevant nor pertinent. The obligation of a neutral government to intern members of the armed forces of a belligerent who enter their territory has long been established by generally accepted provisions of international law. This recognition of the law of nations respecting the internment of armed land or naval forces of a belligerent nation is specifically referred to in title 18, section 37 of the United States Code. There is nothing of a comparable nature covering refugees. A refugee seeks to enter a foreign country of his own initiative. Prisoners of war are members of the armed forces of the enemy and the only civilians who are covered by the international convention, to which reference has already been made, are specifically limited to special

classes "such as newspaper correspondents and reporters, contractors, who fall into the enemies' hands and whom the latter think it expedient to retain." Such persons, be it noted, in order to be entitled to the privileges of treatment as prisoners of war, must have in their possession a certificate from the military authorities of the armed forces which they were accompanying.

The Attorney General goes even further in trying to develop his analogy between refugees and prisoners of war, by pointing to a recent practice of our Government in admitting into the United States German, Italian, and Japanese nationals who have been deported by Latin-American countries to the United States under an arrangement whereby they are interned in this country. The legality of such an arrangement, whereby civilian political prisoners of a foreign nation have been admitted into the United States for internment, should be scrutinized with the greatest care. That these people constituted a grave danger to the Latin-American countries which deported them is self-evident.

It would seem, therefore, to be a reasonable assumption that they are members of one or the other of the Fascist or Nazi subversive groups who constructively fall within the scope of the provisions of title 8, section 137. That is to say, presumptively they believe in the overthrow by force or violence of the Government of the United States. If they do, the law is explicit. Such persons are mandatorily excluded from entry into the United States. If such persons are found in the United States, the executive branch of the Government is under a mandate to deport them whence they came (cf. title 8, sec. 137, subsec. (g)). It is suggested also that the provisions of law discussed in the following paragraph have a bearing on the propriety, or rather impropriety, of admitting these aliens. Certainly, it can safely be said that there is no justification in this action of our Government for an assumption of authority to admit refugees outside of the regular immigration procedure.

Title 8, section 144, relating to the "bringing in or harboring or concealing certain aliens" expressly prohibits any person from bringing in or even landing in the United States any aliens not duly admitted by an immigration inspector or not lawfully entitled to enter or to reside within the United States. In order that there may be no doubt as to the meaning of this section, it is here set forth in full:

"SEC. 144. Any person, including the master, agent, owner, or consignee of any vessel, who shall bring into or land in the United States, by vessel or otherwise, or shall attempt, by himself or through another, to bring into or land in the United States, by vessel or otherwise, or shall conceal or harbor or attempt to conceal or harbor or assist or abet another to conceal or harbor, in any place, including any building, vessel, railway car, conveyance, or vehicle, any alien not duly admitted by an immigrant inspector or not lawfully entitled to enter or to reside within the United States, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$2,000 and by imprisonment, for a term not exceeding 5 years for each and every alien so landed or brought in or attempted to be landed or brought in" (Feb. 5, 1917, ch. 29).

It should be observed that the use of the words "any person" is all inclusive, and standing by itself this section clearly prohibits the admission of aliens "outside of the regular immigration procedure" by any official of the United States. This section of the immigration laws, however, does not stand by itself. It is fortified by the provisions of title 8, section 136, of the United States Code which enumerates the classes of aliens excluded from admission into the

United States. Subsection (b) of this section enumerates paupers and similar indigent aliens, but even more important and decisive, is the mandatory provision of subsection (i) that "persons likely to become a public charge" are excluded. Obviously refugees imported by the United States on United States ships and maintained in a camp at the expense of the American taxpayer are not merely likely to become public charges, but they are ipso facto public charges.

The fact that the refugees whose admission is specifically ordered by the President must be definitely classified as public charges is established by the following excerpts from a memorandum sent by the President on June 8 to the Secretaries of War, Navy, and Interior, the Director of the Budget, and the Executive Director of the War Refugee Board. "These refugees will be brought into this country outside of the regular immigration procedure and placed in Fort Ontario near Oswego, N. Y."

"(4) Until U. N. R. A. is in a position to assume the financial responsibilities involved, the Bureau of the Budget shall make arrangements for financing the project, using to the extent possible any available funds of the War Department, the War Relocation Authority, and the War Refugee Board, and from the foreign war relief appropriation, and, if necessary, drawing upon the President's emergency fund."

Subsection (i) of section 136 of title VIII of the United States Code is further fortified by the succeeding subsection of this section, which provides that "persons whose tickets or passage is paid for with the money of another, or who are assisted by others to come, unless it is affirmatively and satisfactorily shown that such persons do not belong to one of the foregoing excluded classes;" * * * It is indisputable, as has already been pointed out, that refugees belong to one of the excluded classes, that is to say, as persons likely to become a public charge (subsec. (i), and possibly also as paupers or vagrants (subsec. (b))). All persons mandatorily excluded from admission into the United States by title VIII, section 136, are, therefore, "not lawfully entitled to enter or to reside within the United States" within the meaning of title VIII, section 144, of the United States Code, to which reference has already been made. These provisions of law are conclusive against the admission of refugees "outside of the regular immigration procedure," as contemplated in the President's order.

It may, perhaps, be well to add that "any alien who at the time of entry was a member of one or more of the classes excluded by law" is mandatorily deportable if found within the United States at any time within 5 years after entry (cf. title 8, sec. 155, U. S. C.). Furthermore, if an alien happens to belong to one of the subversive groups, he is deportable at any time after entry (cf. title 8, sec. 137, subsec. (g)).

It is wholly erroneous to suppose that there is any provision of the immigration laws which authorizes the admission for temporary residence in the United States of any of the classes of aliens who are mandatorily excluded by law. It is evident that the refugees who have been ordered to be admitted by the President "outside the regular immigration procedure" are also mandatorily excluded by the provisions of the Immigration Act of 1924. That is to say, not only because of the probable exhaustion of the quotas applicable to the countries of which they are citizens, but also because title 8, section 202, subsection (f) prohibits a consular officer from issuing an immigration visa to any alien whom he knows or has reason to believe is inadmissible to the United States under the immigration laws and subsection (g) which provides that "nothing in this chapter shall be construed to entitle an immigrant, to whom an immigra-

tion visa has been issued, to enter the United States, if, upon arrival in the United States, he is found to be inadmissible to the United States under the immigration laws."

As has already been pointed out, the refugees are unquestionably mandatorily excluded from entering into the United States by title 8, section 136, subsection (1) and title 8, section 144. Be it noted in connection with the various provisions of the Immigration Act of 1924, that under section 223, the provisions of that law are in addition to and not in substitution for the provisions of the immigration laws, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this law. Attention is particularly directed to the fact that an alien, although admissible under the provisions of this law, shall not be admitted into the United States if he is excluded by any provision of the immigration laws other than this law, and an alien admissible under the provisions of the immigration laws other than this law, shall not be admitted into the United States if he is excluded by any provision of the Immigration Act of 1924.

In accordance with the terms of section 223, it is perfectly clear that refugees for reasons repeatedly set forth above are not admissible as nonimmigrants as defined in section 203.

At the beginning of this discussion of the legal aspects of the President's order to admit 1,000 refugees, it was pointed out that from the President's effort to secure a delegation of power from Congress to annul the immigration laws in whole or in part, it is fair to assume that he not only had no such power but also that he did not believe he had such authority. There has been an erroneous assumption by some people that because the Constitution designates the President as Commander in Chief of the Army and of the Navy, he has acquired an extension of civil powers not specifically conferred upon him by law. The fact is that the President has no power by virtue of his position of Commander in Chief of the Army and Navy to set aside an act of Congress. Indeed, an examination of the Constitution shows that the Congress is specifically authorized "to make rules for the Government and regulation of the land and naval forces" (art. I, sec. 8). The President, therefore, as Commander in Chief of the Army and Navy is definitely subjected to the rules laid down by the Congress for the government and regulation of the armed forces that he commands. Any other interpretation of the President's powers would imply that we have now existing in the United States the same evils which we are combating in Europe and Asia.

At the moment, there is before the Committee on Immigration and Naturalization, in the House of Representatives, a series of resolutions identical in purpose. These resolutions are numbered as follows: House Resolution 576, introduced by Mr. DICKSTEIN, of New York, chairman of the House Committee on Immigration and Naturalization; House Resolution 581, introduced by Mr. LANE, of Massachusetts; House Resolution 583, introduced by Mr. ROWAN, of Illinois; House Resolution 584, introduced by Mr. MARCANTONIO, of New York; House Resolution 585, introduced by Mr. SCANTON, of Pennsylvania; House Resolution 587, introduced by Mr. CELLER, of New York; House Resolution 588, introduced by Mr. TORRENS, of New York; House Resolution 594, introduced by Mr. BYRNE, of New York.

With the exception of the resolution introduced by Mr. CELLER, House Resolution 587, who uses a different phraseology to express the same purpose as those of his colleagues, the text of these resolutions appears to be identical, and, as they seem to follow the phraseology used by Mr. DICKSTEIN, a copy of

his resolution, House Resolution 576, follows:

"Whereas it is common knowledge that countless thousands of innocent persons, of all racial groups and religious beliefs, in many of the countries of continental Europe have been murdered or otherwise ruthlessly persecuted by the Axis nations; and

"Whereas it is accepted by well-informed people that unless something is done in the immediate future countless more thousands will be murdered or otherwise ruthlessly persecuted; and

Whereas under the present existing immigration laws, unlike the limitation on the number of persons who may come to the United States permanently as immigrants, there is no such limitation on the number of those who may come temporarily; and

Whereas the United States can and should contribute its facilities for the temporary relief of such persons by admitting some of these distressed people temporarily to specified areas to be known as free ports for refugees: Therefore be it

"Resolved, That it is hereby declared to be the sense of the House of Representatives that the President should take such action as is necessary, within Executive powers under existing law, to admit temporarily into designated areas within the United States, to be known as free ports for refugees, aliens who can establish satisfactorily that they are bona fide political or religious refugees from countries in continental Europe, such temporary admission to be conditioned that such aliens will remain in the prescribed areas, will be admitted for a period not to exceed 6 months after hostilities have ceased, and shall not thereby be considered as having acquired any rights to be or remain in the United States: *Provided, however,* That it is further the sense of the Congress that no persons should be admitted, in accordance with the spirit of this resolution, if they are afflicted with any loathsome, dangerous, or contagious diseases.

"It is further urged as being within the spirit of this resolution that as time is strictly of the essence in the success of the purpose of the resolution, the President is urged to act as soon as possible."

An analysis of this resolution which, as has already been said, is in substance identical with those enumerated in a preceding paragraph demonstrates a curious misapprehension both of the facts of the situation and of the law. Obviously the passage of a resolution by the Congress recommending to the President that he should take such action as is necessary to admit refugees on a temporary basis can have no effect whatsoever in preventing the murder in the immediate future of countless thousands of unfortunate who have incurred Hitler's enmity and are still within the reach of his ruthless minions.

In an earlier section of this memorandum a practical and reasonable solution for the rescue and rehabilitation of refugees who have escaped from Axis territory is clearly set forth without a reversal of our immigration policy or the necessity of any amendment of our immigration laws.

As Mr. Pegler well said in one of his recent columns: "Past performances in many fields instinctively suggest that the promise that these refugees will be repatriated after the war and meanwhile restricted will not be kept. Past performances suggest also that once a principle has been conceded by importation of 1,000 European aliens with no pretense that they are eligible or suitable for permanent residence here, the number that will be brought in later will be limited by shipping facilities, individual pull exerted through personal friends and organizations in the United States, and public tolerance." (Washington Daily News, June 14, 1944.) That is the undiluted truth.

Of course, it will be understood by anyone who has carefully followed the analysis of our immigration laws set forth in the course of this memorandum that the assertion in paragraph 3 of House Resolution No. 576, and its counterparts, that there is no limitation on the number of aliens who may come in temporarily is utterly without foundation. The prohibition in the law against the admission of aliens liable to become a public charge is absolute. Even if it were not for the provisions of the act of 1917 forbidding the entry of various classes of aliens under any conditions, as has been set forth previously in detail, a careful reading of title 8, section 203, which enumerates the classes of aliens who are not classified as immigrants and therefore eligible for temporary admission, indicates that upon the broadest interpretation a refugee cannot constructively be brought within its provision. Here is how section 203 reads:

"When used in this chapter the term 'immigrant' means any alien departing from any place outside the United States destined for the United States except—(1) an accredited official of a foreign government recognized by the Government of the United States, (2) an alien visiting the United States temporarily as a tourist or temporarily for business or pleasure, (3) an alien in continuous transit through the United States, (4) an alien lawfully admitted to the United States who later goes in transit from one part of the United States to another through foreign contiguous territory, (5) a bona fide alien seaman serving as such on a vessel arriving at a port of the United States and seeking to enter temporarily the United States solely in the pursuit of his calling as a seaman, and (6) an alien entitled to enter the United States solely to carry on trade between the United States and the foreign state of which he is a national under and in pursuance of the provisions of a treaty of commerce and navigation, and his wife, and his unmarried children under 21 years of age, if accompanying or following to join him."

Bearing in mind always that refugees are barred by other provisions of law than those referred to above, they nevertheless could not truthfully be classified as tourists or as visitors entering the United States temporarily for business or pleasure. A refugee who has abandoned his residence in an enemy state and forfeited his allegiance is definitely debarred from return. Indeed, the possibility of his eventual return is wholly problematical. In this connection note that under the provisions of section 220 of the Immigration Act of 1924, of which section 203 is a part, that any person who obtains, accepts, or receives any immigration visa or permit knowing it to have been procured by means of any false claim or statement is guilty of a grave offense for which he can be fined up to \$10,000, or imprisoned for not more than 5 years or both. Any person who connived or assisted an alien to violate this provision would of course, be liable to prosecution for a conspiracy to commit an offense against the United States.

Finally, it may be said, that there are provisions in the immigration laws which prohibit the admission of criminals or persons who admit having committed a crime or misdemeanor involving moral turpitude, prostitutes, procurers, or pimps; also aliens belonging to subversive groups or who believe in or advocate the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) or of any organized government, because of his or their official character. If refugees are admitted outside of the regular immigration procedure, no information as to whether or not any of them might be so classified, would be elicited.

Mr. Chairman, under the terms of the resolutions before the committee, any anarchist or Communist may be admitted upon establishing the fact that he is a bona fide political or religious refugee. The refugee may also be a white slaver, a narcotic peddler, or even an habitual criminal and yet secure admission within the spirit of the resolutions, providing only that he has not a loathsome or contagious disease.

To be sure, I recognize the fact that these persons are to be kept under restraint but if the experience of the past 20 years teaches us anything, I venture to suggest it will not be long before organizations sponsoring these resolutions will be coming before your committee to lament the confinement of aliens on American soil in concentration camps because of their political or religious beliefs.

To sum up, Mr. Chairman, I and my associates feel that the Congress and the American people are faced with another and most serious drive to undermine and ultimately destroy the whole policy of restriction upon immigration into the United States. It has been shown that upon humanitarian grounds it is infinitely preferable that all refugees from Axis territory be cared for temporarily in North Africa, and that the probability is that not only will these refugees not return to the land of their birth but also that there are millions in Europe who will probably be forced to migrate elsewhere on the conclusion of hostilities. Any refugees admitted into the United States now who have children born on United States soil will raise the question that they should not be deported because to do so would involve either the separation of the family or the deportation of an American citizen.

If additional legislation is necessary to establish more refugee camps in North Africa, I will urge my associates to support it. However, I think it is very clear that U. N. R. R. A. has ample authority to expand the existing camps now in the Middle East and north Africa, indefinitely.

As the matter stands, therefore, the American Coalition is opposed to the passage of any one of the resolutions whose numbers are set forth in this statement. Our organization is on record in its annual convention of this year in behalf of total exclusion of all immigration into the United States.

Respectfully submitted.

JOHN B. TREVOR.

WASHINGTON, D. C., July 12, 1944.

Mr. REYNOLDS. I also ask to have printed at this point in the RECORD a letter addressed to the Honorable SAMUEL DICKSTEIN, chairman of the House Immigration Committee, and the members of the committee, dated July 27, 1944, by the National Council, Junior Order United American Mechanics, whose national secretary is James L. Wilmeth, of Philadelphia, Pa. The letter and the statement previously submitted for the RECORD bear directly upon the question of refugees and immigrants being admitted to this country at this time at the expense of the American taxpayers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL, JUNIOR ORDER

UNITED AMERICAN MECHANICS,

Philadelphia, July 27, 1944.

Hon. SAMUEL DICKSTEIN, M. C.,

Chairman, House Immigration Committee, and the Honorable Members of said Committee, House Office Building, Washington, D. C.

GENTLEMEN: There are pending before your honorable committee for hearings, consideration, and report, certain House resolu-

tions which have for their object the relief of persecuted peoples of Europe of racial and religious minorities, and commending the action of the President, etc. These House bills, and particularly House resolutions, have increased in number and volume since the invasion of Italy, when the plight of these persecuted peoples has been brought specifically to the attention of our fighting forces, and through our representatives, to the American people.

The accounts of these atrocious outrages of peace-loving people by the Axis powers constitutes one of the darkest records of persecutions in all civilized history. Allowing for some overemphasis of persecutions, wholesale king's murders and outrages which have reached us through the press and by word of mouth, we are confident that the situation of these people of racial and religious minorities is critical in the extreme, and that their sufferings from hatred and persecution know no bounds.

The resolutions in question are designated by the following numbers: House Resolution 576, by Congressman DICKSTEIN, of New York, chairman of this honorable committee; House Resolution 581, introduced by Congressman LANE, of Massachusetts; House Resolution 583, introduced by Congressman ROWAN, of Illinois; House Resolution 584, introduced by Congressman MARCANTONIO, of New York; House Resolution 585, introduced by Congressman SCANLON, of Pennsylvania; House Resolution 587, introduced by Congressman CELLER, of New York; House Resolution 588, introduced by Congressman TORRENS, of New York; and House Resolution 594, introduced by Congressman BYRNE, of New York. Practically the same text or language is used in all these resolutions, with the exception of House Resolution 587, by Congressman CELLER, and is as follows:

"Whereas it is common knowledge that countless thousands of innocent persons, of all racial groups and religious beliefs, in many of the countries of continental Europe have been murdered or otherwise ruthlessly persecuted by the Axis nations; and

"Whereas it is accepted by well-informed people that unless something is done in the immediate future countless more thousands will be murdered or otherwise ruthlessly persecuted; and

"Whereas under the present existing immigration laws, unlike the limitation on the number of persons who may come to the United States permanently as immigrants, there is no such limitation on the number of those who may come temporarily; and

"Whereas the United States can and should contribute its facilities for the temporary relief of such persons by admitting some of these distressed people temporarily to specified areas to be known as free ports for refugees: Therefore be it

"Resolved, That it is hereby declared to be the sense of the House of Representatives that the President should take such action as is necessary, within Executive powers under existing law, to admit temporarily into designated areas within the United States, to be known as free ports for refugees, aliens who can establish satisfactorily that they are bona fide political or religious refugees from countries in continental Europe, such temporary admission to be conditioned that such aliens will remain in the prescribed areas, will be admitted for a period not to exceed 6 months after hostilities have ceased, and shall not thereby be considered as having acquired any rights to be or remain in the United States: Provided, however, That it is further the sense of the Congress that no persons should be admitted, in accordance with the spirit of this resolution, if they are afflicted with any loathsome, dangerous, or contagious diseases.

"It is further urged as being within the spirit of this resolution that as time is strictly

of the essence in the success of the purpose of this resolution, the President is urged to act as soon as possible."

The object of these resolutions is to call attention of the people to the persecution and outrages committed upon these minorities, and to declare that in the sense of the House of Representatives the President should take such necessary action to admit temporarily, into designated areas within the United States, refugees, it being expressly stated that "within Executive powers and under existing law" the President should act.

We submit that there is nothing in the existing immigration laws which would authorize the Chief Executive of this Nation to set aside the immigration laws in order to effectuate the "sense of the House of Representatives as expressed in this resolution." If, then, existing law does not permit the admittance of these refugees under the resolutions the action proposed to be taken by the President is limited to within executive powers under existing law. The President, in his message to Congress, dated June 12, 1944, states that the purpose of establishing the War Refugee Board was closely related to our whole war effort. We fail to see wherein the establishment of the War Refugee Board or the action of the President in establishing havens of refuge in this country is related to the war effort. Such action will certainly not contribute to the final outcome of the war. It must, therefore, be based on humanitarian grounds. It is doubtful if the President possesses the power to take this action under existing law or in the exercise of war powers conferred upon him by Congress. Otherwise why was a message submitted to Congress by the President in 1942 requesting plenary powers over the movement of persons and things, which request was referred to the House Ways and Means Committee and, after due consideration, the authority was refused? The exercise of power which these resolutions encourage the President to exercise do not seem to be in keeping with the plenary power he requested over movement of persons, and to our minds there is a close relationship between the two.

The President states in his message of June 12, 1944, that in view of the urgency and extremity of the situation he has taken steps to save additional lives, and that this is being done by establishing havens of refuge here in America, where these persecuted peoples can find temporary housing in unused Army camps where they can be cared for, fed, clothed, and receive medical attention, and that arrangements have been made to bring immediately to this country 1,000 refugees who, at the close of the war, will be sent back to their homelands.

We submit for the consideration of this honorable committee that the United States has immigration laws which have been worked out over a long stretch of years, for the purpose of keeping out of America undesirable aliens. These immigration laws are worked out in much detail, and the exact steps to be taken before an alien can be considered for admission to the United States as a resident have to be complied with in much detail. These restrictions, limitations, and directions as to procedure apply on both sides of the ocean—to the consular officers of the United States in the country from which the alien desires to emigrate and also to the port of entry where the immigrant lands.

The people of the United States have adopted these immigration laws for their own protection. It may be stated that while strict, these regulations are extremely liberal—much more so than those of other countries, even nations who, in this war, are our allies.

Prior to the adoption of the immigration laws of 1917 the United States was an open

country and was most generous in the admission of aliens. The law of 1917 imposed restrictions, as did the act of 1924, which established quota provisions based upon the census of 1890 as to the number of immigrants admitted from various countries. The Congress acted wisely in enacting restrictive measures. Restriction is now a well-settled policy with the American people. These laws were enacted for the protection of our citizenship, and applied to social conditions as well as to labor and economics.

The present measures and House resolutions and the message of the President, to which reference is made above, have for their object the temporary suspension of our immigration laws. It is now proposed to bring in 1,000 of these people from southern Italy, regardless of immigration laws and regulations. Notwithstanding the solemn promise that these refugees will be repatriated after the war, we are fearful that this promise may not be fulfilled.

There is no statement contained in any of these measures. Resolutions, or the message of the President, that these aliens are eligible or qualified for American citizenship. The entire action is based on humanitarian grounds. Apparently no selection whatever is to be made of these immigrants, but they are to be brought over en masse, regardless of qualifications or former associations. How are we to know whether certain of them are criminals, Communists, crooks, or otherwise undesirable? There seems to be a feeling that refugees are being ennobled by their sufferings. We contend that the plan adopted is not best either for the persecuted peoples or for the people of the United States. Granting that this may be but a temporary expedient, it will be a costly one for the people of the United States, as to travel, subsistence, housing, and lodging.

If we are to judge refugee immigrants by those alien immigrants who came here before or during the first World War who did not undertake any activity in destroying the very tyrants who had oppressed them, but instead joined groups and movements which had for their object the destruction of the American system of government, we may expect no gain or benefit by their being brought here now.

The American people have the right, and have exercised that right through Congress, to say who shall come as aliens for temporary or permanent residence in the United States. That pronouncement has been made in our laws and is binding on the legislative and executive branches of our Government as well as the people under whose direction these laws were enacted.

The right is reserved in our laws to reject applicants for admission to the United States who do not meet certain requirements. These restrictions are not unjust to foreigners, because foreigners have no rights in the matter, neither have these refugees any rights to admission. When an alien is admitted to this country and later becomes a citizen, that is a privilege conferred upon him by our laws, and it cannot be construed as an inherent right. The United States through its Congress can legislate to exclude all immigration, and, for that matter, to restrict the right to vote and hold public office to native-born American citizens.

We think the admission of 1,000 refugees from southern Italy as a sample would not make any very great difference in the problem of taking care of them at public expense, but we are fearful that this first 1,000 would be the beginning or first movement and that there would be many other thousands to follow with the conditions of their admission being gradually relaxed, and through appeals for sympathy our immigration laws would be further set aside, and there would be conferred a legitimate immigrant status on unselected thousands, with almost complete disregard of legal standards or desirability.

We also fear that when the war is over we

will hear nothing more about these refugee aliens being returned to their homelands. Due to intolerable social and political conditions in the European countries whence they come, repatriation may be impossible. It is, therefore, likely that Congress will be asked to relax the provisions of the immigration laws to permit these refugees to settle here in America permanently.

We contend that suffering cannot be made the basis for the flaunting of laws of long standing, and setting them aside by Executive order, on the theory that the action taken will contribute to the war. How much is the war going to be promoted by the bringing in of one thousand or tens of thousands of refugees to the United States? Probably not one iota. We are not satisfied that this problem is being handled legally or in the interest of our American people.

The annual report of the Attorney General discloses that quotas from many European countries are not being filled, let alone exceeded. Why would it not be a better plan, as well as legal, to admit these refugees under the quota system from these countries of which they are citizens? If there is to be mass movements of these people such as is indicated by the first thousand, why should not the War Refugee Board make arrangements to settle these people in places where they can contribute something to the growth and development of the country? There is plenty of room in Palestine, but there are some political considerations which might interfere. Shall America be made the dumping ground of persecuted refugees because Great Britain does not choose to stand by the Balfour agreement made following the First World War for settlement of racial minorities in Palestine? What is to hinder our Government, through the Secretary of State, who is Chairman of the War Refugee Board, from taking up with those countries which have dominions in northern Africa, where immigration is badly needed to develop growth of the country, the proposition of settling these refugee people in those sparsely settled regions permanently where their work is needed and where they can earn a living and contribute something to the public good?

What good will it do these people to be housed here in Army camps so far as their ultimate good is concerned, to be fed and clothed at public expense? The best thing that can be done for any people is to put them in position so they can provide for themselves and earn their own living, whether it's farming, merchandising, or any other of the usual avocations of life. If these people could be located in places where their work and labor are needed, and the same help extended to them on the basis of the same expense as will be involved in bringing them here, maintaining and returning them, they will have something in these new-found homes in Africa and Palestine by which they may be able to establish themselves and to earn an honest living.

We hope some better way can be devised for helping these poor peoples than the temporary expedient which is being adopted and that the House Immigration Committee in its wisdom may so amend the resolutions and bills now before it as to bring out a legal measure which will not be open to question and not in violation of immigration statutes.

Respectfully submitted,

W. A. CLARK,
ROSS HORNER,
R. L. McCLANNAN,
National Legislative Committee.
R. B. GARRETT,
National Councilor.
WM. H. MURPHY,
National Vice Councilor.
RALPH MORRIS,
Junior Past National Councilor,
National Board of Officers.
JAMES L. WILMETH,
National Secretary.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. REVERCOMB. I address this question to the Senator from North Carolina. If his amendment is adopted, will it result in doing away with the present control quotas on immigration?

Mr. REYNOLDS. Yes.

Mr. REVERCOMB. It would provide an absolute bar?

Mr. REYNOLDS. An absolute bar; yes.

Mr. REVERCOMB. Does not the Senator feel that it would be better to maintain strict control quotas and really enforce them, rather than to provide this absolute bar against any person coming into the country?

Mr. REYNOLDS. I should say, Mr. President, absolutely not, because we have in this country, as the testimony has revealed, between five and six million aliens, and they are taking jobs which rightfully belong to our own citizens, our own men and women who are bleeding and dying at this time for this country and to save the homelands of many of these aliens. I respectfully submit that it is at least my duty to try to keep out of this country every person who would take a job which rightfully belongs to an American citizen, who may at this time be bleeding and dying for his country. We should save jobs for those of our men and women who are now in the armed services all over the world, who will need jobs at the end of the war, as well as men and women who will come out of our war plants and who will be wanting jobs.

Mr. REVERCOMB. Mr. President, will the Senator again yield?

Mr. REYNOLDS. I yield.

Mr. REVERCOMB. I may say to the Senator from North Carolina that, as he well knows, I have stood constantly against extended entrance of aliens into this country, but it seems to me that with strictly controlled quotas established under law, and with a proper regulation according to law, the situation can be met, rather than by an absolute freezing against any individual coming here. There are instances when it is proper to admit into this country persons of other lands—for instance when they may send for an immediate member of the family. I am in agreement with the Senator from North Carolina with respect to preventing any extended immigration. And I stand also on the proposition that American people must be given the first opportunities of work here and protected in that right. But an absolute bar against any individual's coming in seems severe. Let the subject be strictly controlled to the best advantage of our own country and our own people.

Mr. DANAHER. Mr. President—

Mr. REYNOLDS. Does the Senator wish to ask me a question?

Mr. DANAHER. I have no question to ask the Senator. I wish to ask for the floor.

The VICE PRESIDENT. Has the Senator from North Carolina concluded?

Mr. REYNOLDS. I yield the floor.

Mr. DANAHER. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DANAHER. Is a motion to refer the pending amendment to the Committee on Immigration and Naturalization in order?

The VICE PRESIDENT. No; it would not be in order.

Mr. DANAHER. I had hoped, Mr. President, that it would be in order, to the end that we might send so important and so substantive a matter to a standing committee of the Senate for consideration, because at this hour in the consideration of the pending bill, for us to attempt to pass upon the substance of a law which has been carefully arrived at after considerable study, and which is embodied not only in the immigration laws of 1924, but as amended in 1940, would be to take a grievously unfair and erroneous course. I feel so strongly on the subject that I would have been perfectly willing to submit the matter to the consideration of a standing committee, which might inquire into all the facts, but in the absence of parliamentary provision making that course possible I must strenuously object to the amendment as offered.

Mr. REYNOLDS. I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is upon agreeing to the amendment of the Senator from North Carolina.

The amendment was rejected.

Mr. REYNOLDS. Mr. President, today there has been discussion of a controversial matter during which some mention was made that the unions were all pulling for the Kilgore-Murray bill, and that they were exerting too much influence here. I voted for the George amendment. I am for organized labor. I am glad to see the labor unions of this country taking much more interest in public affairs. In many letters which I have received from virtually every State of the Union the writers say that the American people should take more interest in our public affairs. I am glad to see the labor unions take more interest in our public affairs, because that will result in making others take more interest in public affairs. Being interested, as I am, in the unions themselves, and particularly in the union members, and being interested in seeing that the dues-paying members are well advised regarding the conduct of their respective unions, and being interested in seeing to it that no Communists or Nazis or Fascists shall be officers or members of unions, I offer an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

Whereas it is essential that the public be fully informed with respect to the activities of the various labor organizations whose members are engaged in the production of articles and materials which are vital to the war effort; and

Whereas the officers and agents of such organizations should all be American citizens whose allegiance to the United States is unquestioned and who can be depended upon

to aid the Government in suppressing industrial sabotage and other subversive activities which tend to impede, undermine, or defeat the war effort: Therefore be it

Resolved, etc., That within 30 days after the date of enactment of this act and annually thereafter every labor union or other labor organization (a) which represents, or purports to represent in any manner the interests of any persons employed by any business enterprise which is engaged in interstate or foreign commerce, or in the production of goods for such commerce or for national defense or war purposes, or (b) whose activities in representing the interests of employees extend to more than one State, shall through its president or other authorized officer, register its identity with the Department of Labor, and state under oath the following information, and such other information as the Secretary of Labor may by regulation prescribe:

- (1) The name of the labor union or other labor organization;
- (2) The address at which it has its principal office or does business;
- (3) The names, titles, and salaries of its officers;
- (4) The initiation fees charged each member;
- (5) The annual dues charged each member;
- (6) The assessments levied against its members during the past 12-month period;
- (7) The limitations on membership;
- (8) The number of paid-up members;
- (9) The date of the last election of officers;
- (10) The method of election of officers;
- (11) The vote for and against each candidate for office at any election held during the past 12-month period; and
- (12) The date of the last detailed financial statement, if any, furnished to all members and the method of publication or circulation of such statement.

With such information there shall be filed a copy of the constitution and bylaws of the labor union or other labor organization, and there shall be filed under oath a detailed and intelligible financial statement showing the receipts and expenditures of such labor union or other labor organization during the past 12-month period.

SEC. 2. Every such labor union or other labor organization established after the date of enactment of this joint resolution shall, when established and annually thereafter, register with the Department of Labor and furnish the information required of existing labor unions and other labor organizations under the preceding section.

SEC. 3. Any labor union or other labor organization which fails to register with the Department of Labor and file the information required by this act shall be disqualified to act as the representative of employees in collective bargaining during any period that such failure continues and, in addition, shall be fined not more than \$5,000.

SEC. 4. (a) It shall hereafter be unlawful for any labor union or other labor organization which is required to register with the Department of Labor to have as an officer or agent any person—

- (1) who is not a citizen of the United States;
- (2) who is a Communist, Fascist, or member of any Nazi bund organization;
- (3) who has been a member of or affiliated with any Communist, Fascist, or Nazi bund organization within the 2-year period prior to the date of enactment of this act;
- (4) who is ineligible to hold public office; or
- (5) who has lost his rights to United States citizenship by reason of conviction of a felony.

It shall be the duty of each such labor union or other labor organization to use due diligence to determine whether any of its

officers or agents is a person who is prohibited from being such an officer or agent under the provisions of this subsection.

(b) It shall hereafter be unlawful for any person described in subsection (a) to be an officer or agent of any such labor union or other labor organization.

(c) Any labor union or other labor organization, or any person, who willfully violates any of the provisions of this section shall, upon conviction thereof, be fined not more than \$10,000; and each such violation shall be deemed to be a separate offense.

Mr. REYNOLDS. Mr. President—

The VICE PRESIDENT. The preamble and resolving clause of the resolution offered by the Senator as an amendment are hardly in order. The Chair assumes that the Senator would not object to omitting the preamble and resolving clause.

Mr. REYNOLDS. I shall be very glad to do so, Mr. President. I have not had the opportunity of changing the phraseology as to meet the requirements.

The VICE PRESIDENT. Without objection, the preamble and resolving clause are omitted.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. REYNOLDS. I yield.

Mr. O'MAHONEY. Is not this amendment the same as Senate Joint Resolution 9?

Mr. REYNOLDS. It is.

Mr. O'MAHONEY. Which the Senator introduced in January 1943?

Mr. REYNOLDS. Yes.

Mr. O'MAHONEY. Was the joint resolution referred to the Committee on Education and Labor?

Mr. REYNOLDS. It was.

Mr. O'MAHONEY. Did the committee take any action on it?

Mr. REYNOLDS. It did not.

Mr. O'MAHONEY. Is it still pending in the committee?

Mr. REYNOLDS. It is still pending.

Mr. President, relative to the subjects which I have discussed here this afternoon, namely, the stopping of all immigration for the next 5 years, and the registration of labor unions, I wish to state that I directed letters to Hon. ROBERT TAFT, chairman of the platform committee of the Republican Convention at Chicago, and Hon. JOHN MCCORMACK, chairman of the platform committee of the Democratic Convention at Chicago. I ask that those statements be published at this point in the RECORD, without my taking the time to read them.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SENATOR REYNOLDS DECLARES AMERICAN NATIONALISTS GAIN

"The American Nationalists Committee of Independent Voters is progressing most satisfactorily," stated United States Senator ROBERT R. REYNOLDS recently when questioned in regard to the progress of the newly formed committee.

This committee was created some several weeks ago, at which time its temporary national chairman, Senator REYNOLDS, issued a press release to the effect that American Nationalists were preparing to launch a movement which would cover the entire United States.

The committee has its headquarters located at 215 First Street NE., Washington,

D. C. Indications are, according to its temporary national chairman, that this committee will develop into an organization much larger than the America First Committee which was sponsored by leading Americans prior to Pearl Harbor. At the present time it has members from every single State of the entire Union, and at a later date it is understood that units of 10 will be organized throughout the entire country. It is the intention of those in charge of the organization work to bring about the setting up of units in every block of every city, on every street of every village, and in every township of every county throughout the entire country.

The plan calls for the development of units of 10 individuals, no more than 10, say the organizers, so that every member of every unit will know personally the individuals constituting that unit. By this means subversive elements will not be able to worm their way into the organization and begin boring from within as was experienced by a number of the chapters of the America First Committee.

After units have been organized throughout the United States, then State directors will be set up and these State directors in all probability will be selected by the chairmen of the hundreds of units in each State, according to the Senator.

When questioned about the attacks made by radio commentator Walter Winchell, pertaining to the organization of this national committee, Senator REYNOLDS said:

"Frankly, I welcome these attacks. Winchell has on two occasions fired at the American Nationalists Committee and as a result of his attacks we have received thousands of letters throughout the country requesting information about the objectives of the committee. We never would have received all these inquiries if it had not been for Mr. Winchell's publicity. As a result of these letters we have secured thousands of new members. Really, a knock from Winchell is a boost for any real American organization. We American Nationalists believe in tolerance. However, we believe that tolerance is a two-way street and we are of the opinion that it should be practiced by those who preach it.

"In the minds of some people, anyone who speaks out in the interest of America, anyone who speaks out against internationalism, is a Nazi Fascist, or a traitor to his country. Just say one word against communism and you will be damned from one end of the country to the other by certain people. Say what you will—American thoughts are returning to American shores and this country is headed toward nationalism. The fact is, it is here now because the people are realizing that Mr. Churchill, of England, is looking after the British Empire; Mr. Stalin, of Russia, is looking after the Soviet Union, and the American people are now beginning to demand that American leaders look after the interests of America first and not last."

Joint Resolution 9

Resolution by REYNOLDS would require unions to make accounting to dues-paying members; bar aliens from serving as officers of unions, etc.

1. Why? Because 90 percent of the members of all the unions want this bill enacted into law for their own personal information and benefit. They would appreciate a statement of what becomes of the monthly dues which each year amount to millions of dollars.

2. Why should the unions not be required to register and show their source of income and disbursement? All American business firms and individual citizens, also all political parties, must file a statement with the Government showing their incomes and disbursements.

This accounting feature adopted by amendment to the 1944 tax bill requiring labor unions to render financial accounting to Federal Government.

3. Why should aliens be allowed to enter the United States and become officers of labor unions? Aliens are without rights in any country except as visitors, but such aliens as Harry Bridges and many others have defied the laws of this country.

4. Why should racketeers be permitted to serve as officers in unions, using the unions as a source of illegal income without making a report to their unions in many instances and to the Government?

5. Senator REYNOLDS' compulsory registration bill, known as Senate Joint Resolution No. 9, is designed to stop these practices. This resolution has the backing of millions of American citizens, which includes members of labor unions, business concerns that employ labor, and the mothers of our soldiers and sailors.

6. The opposition to this bill consists of a small minority under the leadership of certain labor racketeers. The time is here to put a stop to these practices.

UNION ACCOUNTING ACT UPHELD IN DAKOTA

SIOUX FALLS, S. DAK., August 1944.—Constitutionality of 1943 South Dakota legislation requiring labor unions to file annual statements of income and expenditures with the secretary of state upheld by Circuit Judge Lucius J. Wall.

[From the National Record of August 1944]

PLATFORM PLANKS SUGGESTED BY AMERICAN NATIONALISTS FOR REPUBLICAN AND DEMOCRATIC PARTIES

Senator REYNOLDS, temporary national chairman of American Nationalists Committee of Independent Voters, addresses letter of suggestions to chairmen of the platform committees of the two major parties. It reads:

Hon. ROBERT TAFT,
Chairman, Platform Committee,
Republican National Executive
Committee, Chicago, Ill.

Hon. JOHN McCORMACK,
Chairman, Platform Committee,
Democratic National Executive
Committee, Chicago, Ill.

MY DEAR MR. CHAIRMAN: As temporary national chairman of the American Nationalists' Committee of Independent Voters, I respectfully desire to submit herewith suggestions for planks in your platform now formulating for the 1944 Presidential campaign, upon which, naturally, senatorial and congressional candidates (nominees) will base their arguments.

Before outlining the suggestions and objectives submitted herewith, I respectfully wish to advise for your information and that of your committee associates, that the membership (Nation-wide) of the American Nationalists' Committee of Independent Voters is made up of Democrats, Republicans, and independent voters. These parties designated, Democrats, Republicans, as well as independent voters, are American nationalists who believe in looking after the interests of America first and not last.

The American Nationalist believes:

1. That we should be for America first and not last. We should look after the interests of our own people and our own country before attempting to fee, finance, rehabilitate, and clothe the entire world.

2. That when these wars have been won in every part of the globe we should bring our boys home to their loved ones, their fathers, and their mothers, their sweethearts, and their wives—no international police force.

3. That we should not merge our Government with any other government of the

world, and we should not give up any part or portion of our sovereignty to become a portion of a world state.

4. That we should have a strong, free America, politically, economically, and militarily independent of any and all European and Asiatic powers.

5. That we should stop all immigration now. More than 600,000 aliens have entered this country since the present war began on September 3, 1939. This should be stopped at once. These people coming here will never leave. We should save all jobs for our men and women, boys and girls in uniform, who are fighting throughout the world.

6. That there should be protection of American labor, industry, and agriculture against cheap European and Asiatic labor by maintaining adequate protective, but not exploitive, tariffs.

7. That we should encourage free enterprise, individual initiative, the American system of government, providing opportunities for all.

8. That we should maintain friendly relations with all nations that show a sincere desire to cooperate.

9. That we should have government by legislative action solely as provided in the Constitution and Bill of Rights and complete separation of the legislative, executive, and judicial branches of the Government.

10. That decentralization of Government and restoration of States' rights in its fullest sense is desired, together with the introduction of sound business practices and economies in the conduct of the National Government.

And above all we are opposed to rule by Communists, their fellow travelers—the pinks—and deplore the practice of employing Communists, or any one imbued with communism, nazism, or fascism, in any division of our Government.

The afore-mentioned "beliefs" and objectives of we American nationalists are vital to the future of our country, in our opinion, and we sincerely trust and hope that your committee may recommend and that your convention will adopt planks covering our objectives.

However, we are particularly anxious that planks be adopted by your committee, recommending:

(a) The immediate stoppage of all immigration to this country now so that all jobs may be preserved for America's returning soldiers (male and female) and for the protection of American labor. When this war will have ended, millions of men and women now in uniform will be returning to American soil from all parts of the world. They will be looking for jobs, their old jobs or new jobs. The millions of Americans now engaged in industry in this country will be displaced immediately after the war because, in our opinion, reconversion will not come sufficiently rapidly to absorb them. Therefore, it is necessary to preserve and maintain every available job for American citizens. If we permit the influx of aliens into this country such as has taken place since war began in Europe on September 3, 1939, then we will permit this influx of aliens to take the jobs that rightfully belong to American nationalists.

An order has been issued by the President permitting 1,000 aliens, refugees, to enter the United States and to occupy abandoned camps of the Army. This is merely the opening wedge. Once the foot is in the door endless thousands will follow. The explanation given is that they are in the way in Italy. It would be much better to transfer them across the Mediterranean and place them in camps in north Africa where they could be more speedily returned to their homelands when this war is over. Once these refugees and aliens are permitted to come here they will never be returned because already there

is a campaign in progress to keep them here after the war and not return them to their respective homelands. We are desirous of protecting American labor and for that reason we demand the stoppage of the influx of refugees and the stoppage of all immigration through our gates to American soil.

(b) That any alliance or alliances of a permanent nature with any country or countries be discouraged where our sovereignty would be endangered or wherein our Nation would be prohibited free and independent action. We insist upon a pledge of United States collaboration with world nations to prevent war where such collaboration will not endanger or curtail the sovereignty of this Nation. We all seek peace, but we first want to win the war and win it at the earliest possible moment with a view to saving American lives. We should pledge ourselves to protect the interests and resources of the United States and maintain our position of supremacy on the sea, on land, and in the air because, in our opinion, the best protection against war and for peace insofar as we are concerned is to look after our own national defenses in the Western Hemisphere, concentrating these defenses from the Panama Canal to the Arctic Zone. In resolving for peace we respectfully insist that any peace to be derived at will be in accordance with the Constitution of the United States. We are opposed to an international police force. We respectfully insist that the interests of America be considered primarily and firstly, and we are opposed to any world-wide W. P. A., and to our spending billions of dollars throughout the world to educate those of other countries to our way of life, such as has been suggested through legislative proposals and now before one of our committees here. In other words, we insist upon America discontinuing to be the Santa Claus of the 2,000,000,000 people on the face of the earth and revert to America's looking after the interests of America.

We think that any plank relating to the war and peace should embody a clear declaration in definite terms pertaining to our objectives. Ambiguous plank resolutions will only tend to more confuse the people. America is entitled to know the aims and the definite objectives of our country, and we hope that a plank pertaining to this particular feature will speak plain, understandable language, and will be definite, without ambiguity, and to the point. We all know where we are, but now the American people are demanding to know where we are going.

(c) That all labor unions and organizations be required to register with the Federal Government and provide the authorities thereof and the dues-paying members of their respective locals and units with semiannual reports of financial statements embodying receipts and expenditures of these respective labor organization and that no alien, Communist, Nazi, Fascist, or any member of any subversive organization be allowed to hold office in any labor union or organization.

(d) That the Department of Labor be reorganized and that the innumerable administrative agencies (about 26 of them) dealing with labor subject be at once coordinated and placed in the Department of Labor under the direction of a Secretary satisfactory to labor itself. We believe this to be necessary for the promotion of America's well-being in the establishment of favorable labor psychology in securing fair and sound labor relations.

(e) In further respect to labor, we are of the opinion that experience has time and again shown that the National Labor Relations Act should be amended requiring the National Labor Relations Board to carry out both the spirit and the purpose of the act. We believe that the workers should be vested with the authority to ascertain for themselves the kind and character of a collective

bargaining agency which would be suitable and serviceable to them; that the Board should not be permitted to arbitrarily determine the kinds of collective bargaining agents for the workers employed in industry but that this authority should be conferred upon the workers themselves. We believe this to be the democratic procedure.

(f) That plank recommendations may be embodied in your platform pertaining to the elimination of waste, unnecessary expenditures in the employment of surplus Government workers, and a resolution calling for the reduction of taxes immediately after the expiration of the war to the extent of prohibiting the Federal Government from exacting of individual taxpayers more than 25 percent; this, of course, taking into consideration the fact that individuals must pay State and county taxes, and innumerable other taxes, many of which are hidden.

In conclusion, Mr. Chairman, I take pleasure in enclosing herewith a copy of The American Nationalist, which is the official organ of our national committee.

With assurances of my highest esteem, I beg to remain,

Very respectfully yours,
ROBERT R. REYNOLDS,
Temporary National Chairman,
American Nationalist Committee,
Washington, D. C.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. REYNOLDS].

The amendment was rejected.

Mr. DOWNEY. Mr. President, I shall intrude on the time of the Senator for only 3 or 4 minutes. I offer an amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from California will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. 1202. (a) The Board is authorized on behalf of the United States to enter into agreements with any State or with the unemployment compensation agency of such State under which such State agency will make payments supplementary to those under its unemployment compensation law in accordance with the provisions of this section. Such agreements shall provide for supplementing any payment of unemployment compensation payable under the unemployment compensation law of such State or payable under an agreement made pursuant to title XIII of this act (relating to unemployment compensation for Federal employees) by such amount as the State may elect, not in excess of the amount found by the Board to equal an additional \$10 for a week of total unemployment, or the equivalent for a partial week of unemployment, for which compensation is payable under the State law or under an agreement made pursuant to title XIII. No such agreement shall be valid if compensation to any individual under the State unemployment compensation law will be denied or reduced by reason of any payment made pursuant to such agreement or if the compensation payable to any individual under such State law is less than it would have been under the law of such State as it existed on July 1, 1944.

(b) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all supplemental payments of unemployment compensation made by such State during such quar-

ter, pursuant to an agreement under this section.

(c) In case of an agreement under this section that a State agency will make supplemental payments, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under this section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of such supplemental payments. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

(d) Determinations of entitlement to such supplemental payments made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

(e) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification.

Mr. DOWNEY. Mr. President, the heart of the amendment is in subdivision

(a). In effect, it would give the unemployment compensation administration in each State the right to amplify payments within the State, under State standards, by drawing upon the United States Government for a sum not to exceed \$10 a week.

Mr. President, I have been somewhat shocked as I read the figures showing the amount of money which is now being received in the various States as unemployment compensation. Roughly the payments average about \$14 a week, or less than \$60 a month. Nearly every one of those unemployed persons is married and has children. I am wondering if Senators think that we must restrict unemployment compensation to workers, when they cannot get jobs, to an average sum of less than \$60 a month.

I do not wish to intrude further upon the Senate at this time. I do not wish to add to the burdens of the distinguished Senator from Georgia [Mr. GEORGE]. He somewhat encouraged me in the hope that he might be willing to take this particular amendment to conference, because he stated that he distinctly recognized the possibility that in the coming months it might be necessary for the Federal Government to add to the employment compensation payments being made in the various States by some sort of payments from the Federal Government.

It seems to me that in this country, which will have such titanic production power in the post-war era, to look for-

ward to having workers who cannot get jobs receive less than an average of \$60 a month is not a very happy picture.

I also desire to point out to the Senate, and particularly to the distinguished senior Senator from Georgia, that these payments are based upon war salaries. Probably within 6 months after the war is over these payments will drop down in amount to probably an average of \$11 or \$12 a week, or perhaps an average of approximately \$50 a month. The largest payments which are made in the United States are made in the States of Connecticut and Michigan, as I recall, where a sum in excess of \$19 is paid. Then come California and Utah, with payments of \$18; and then come the other States, with payments ranging down to \$7 a week.

If my amendment were agreed to it, it would not be a heavy burden on the people of the United States. It would tend to provide clothing, food and shelter with some degree of decency.

I know the matter is too important to be finally passed upon by the Senate at this time. I wonder if the distinguished senior Senator from Georgia feels that the matter is one which he should and could take to conference.

Mr. GEORGE. Mr. President, I could not agree to do that. In the first place, I do not know that I would be a member of any conference committee which would consider the bill. That would very much depend on the course the measure takes in the House of Representatives. I could not agree to any such suggestion as the one the Senator from California has made. The matter is one of great importance. But I could not agree to take the Senator's amendment to conference. It might cost more than the Kilgore bill would cost. Without consideration, I would not like to have it added to the bill. The amendment of the Senator from California presents in a general way the same issue which we have discussed.

I wish to make my position perfectly clear. It may become necessary for the Federal Government to take some steps to assist the workers, if they should become unemployed and if the period of unemployment should extend over a considerable length of time. The question whether that should be done by public works or by other appropriate Federal action is one which I think is of the gravest concern and of the highest importance, and it should be carefully examined. I would not be able to take the Senator's amendment to conference. I regret that he has offered it at this time, after we have been so heavily engaged in the consideration of the general subject during the week.

Mr. DOWNEY. Mr. President, I can assure the distinguished Senator that the cost of my amendment would be very negligible as compared to the cost of the Murray-Kilgore amendment. Senators themselves may easily make the calculation. If there should be 5,000,000 unemployed, my amendment would add \$10 a week to their allowance, which would be approximately \$50 a month or \$3,000,000,000 a year. If there were 10,000,000 unemployed, of

course, the total amount added by my amendment would be \$6,000,000,000 a year.

The only reason why I am suggesting my amendment is that I think every Member of the Senate must know that no American family can live in human decency on as little as \$30, \$40, \$50, or \$60 a month. Ninety percent of these workers are married and have dependents. Is it necessary to face the post-war era with a law which, if those workers are unemployed, will bind them down to destitution and poverty? I cannot believe that is the will of the American people. I cannot believe that is good statecraft. I cannot believe it is humanity.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from California. (Putting the question.)

The amendment was rejected.

The question now is on the so-called third Murray amendment, as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

Mr. PEPPER. Mr. President, I merely wish to say a word of explanation of my vote, which will be nay, on the question of the final passage of the bill. This bill, as was stated by the proponents of the George amendment, presents an issue which is very clear and distinct from the issue presented by the Murray-Kilgore amendment. The former position was that the State employment systems under State laws as they now exist, with the single exception of the addition of coverage out of the Federal Treasury to Federal employees—some three and one-half million in number—are all that the Congress of the United States shall provide for the unemployed workers of this country.

I take the position, and I think other Members of the Senate on this side of the aisle do the same, that that is inadequate to protect those workers against the hazards of unemployment. If it were a matter of putting \$2 where we advocated \$3, I would certainly vote for the \$2 rather than for nothing at all.

But, Mr. President, the amendment offered by the Senator from Montana [Mr. MURRAY] and the Senator from West Virginia [Mr. KILGORE] would take care of merchant seamen. The George amendment, as adopted, does not provide coverage to merchant seamen. The Murray-Kilgore amendment provides coverage to farm workers, to the same degree that industrial workers are covered. The George amendment, as adopted, provides no coverage for farm workers.

My State is principally an agricultural State. Agricultural workers are not

provided for under the State system at the present time. I am not willing to see that group of workers not provided for, if I have the power to help provide for them.

The Murray-Kilgore bill provides up to 6 months retraining for any worker in the United States—any farm worker, any merchant seaman, any war worker, any clerk, any stenographer—at the expense of the Federal Government. The George amendment does not provide coverage for that class of American citizens and potentially unemployed group.

The Murray-Kilgore amendment provides for coverage for the dependents of the veterans of these wars, up to \$15 a month in addition to what they can now receive, as the Senate formerly provided when the G. I. bill of rights was passed. The George amendment contains no provision whatever for the dependents of the veterans of these wars.

Moreover, Mr. President, the Murray-Kilgore amendment provided that the unemployed of this country could receive benefits up to \$35 a week. It was later modified to provide for the payment of \$25 a week as a maximum, if during the base period the worker had compensation of as much as \$33.33 a week and if he had a wife and at least two children. But, Mr. President, the George amendment does not add one dime in my State to the maximum of \$15 and the average of \$13 a week provided for by the compensation law of the State.

The Murray-Kilgore amendment provided coverage for the unemployed worker for a period extending for 2 years after the expiration of the war, from a date 90 days after the passage of this bill. The George amendment does not add 1 day to the 16 weeks of coverage which my State unemployment compensation law provides for the unemployed of my State.

I am not willing to say that a maximum coverage of \$15 in amount and of 16 weeks in time is all that shall be provided, if I have the power to help effect an increase of such provision for the workers of Florida, if they lose the jobs they now have, and if they are not able to find any other jobs in private employment.

Since it has been stated by the able senior Senator from Ohio [Mr. TAFT] and the able senior Senator from Georgia [Mr. GEORGE] that an issue of philosophy, not an issue of amount, is presented by this question, I repudiate the philosophy of the amendment of the Senator from Georgia, although I personally esteem him, and I adhere to my sense of responsibility as a Senator for the American people when they are unemployed. Yet we have been told this afternoon that it is none of our business if they leave a war plant or a shipyard or a United States navy yard and are unemployed, unless their States desire to provide coverage for them. All who have been added by the George amendment to the group of those covered by the States' systems of unemployment compensation are the Federal workers—not merchant seamen, not agricultural workers, not the members of many other classes.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. Why does the Senator then object to adding those Federal employees?

Mr. PEPPER. I do not object to adding them.

Mr. BREWSTER. The Senator has indicated that he will vote against the proposal.

Mr. PEPPER. I do not object to adding the Federal employees, but I do object to the inadequacy of the bill. I object to the philosophy which would include Federal employees and leave out merchant seamen, farm labor, and many other deserving classes of persons who should be included. I will not discriminate in favor of Federal employees as against other worthy classes of persons who are also entitled to draw upon the gratitude of the Government of the United States. That is the reason, Mr. President, that I shall vote "nay." Until the Congress shall change its position and accept a philosophy which will admit of the responsibility in part, at least, of the Government of the United States toward the classes covered, and the amounts which they are to receive and the period during which the coverage shall apply, I shall continue to vote "nay" on such matters as this.

SEVERAL SENATORS. Vote!

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. OVERTON. Does not the able Senator from Florida believe that the pending bill will be fashioned very largely in conference between the two Houses?

Mr. PEPPER. I hope it will be, but there will be no way in which to express my philosophy, and the philosophy of many others upon which the conference may act.

Mr. OVERTON. Can there be any conference unless the Senate first acts? Does the Senator believe that it would be best merely to adopt the Lord's prayer and send it over in order to have something to work on?

Mr. PEPPER. The Lord's prayer would have a religious stimulus on the Congress as a whole, but it would not, I fear, serve as an adequate unemployment-compensation law.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KILGORE. Is it not a fact that the employment of merchant seamen on the ships plying the high seas has been a direct employment under the United States Government by subterfuge; that is, involving an agency to which the Government pays money which the agency in turn pays the seamen?

Mr. PEPPER. I believe the Senator's statement is correct.

Mr. MAYBANK. Mr. President, will the Senator yield to me for a question?

Mr. PEPPER. I yield.

Mr. MAYBANK. Is it not a fact that when the matter was first brought up some time ago the merchant seamen were given consideration? Should not the question originate in the other House?

Mr. PEPPER. That may be true, but there is no prohibition against it originating in the Senate. I prefer to act whenever we have an opportunity to do so. We can act in favor of the merchant seamen as well as in favor of Government employees. I think if we favor one class we should favor them all.

Mr. CHANDLER. Mr. President, I repudiate the suggestion that the Lord's Prayer is not helpful to anyone, no matter what his circumstances or position.

Mr. BARKLEY. Mr. President, I wish to make a very brief statement in regard to my vote on the pending bill.

In the Committee on Finance I expressed my opinion that the bill was inadequate. I have never modified that opinion. I voted against the George amendment because I believed it was inadequate, and I hoped that it would be possible to vote affirmatively for the Kilgore amendment. We did not reach that posture in the legislation where it was possible to vote affirmatively upon that amendment. In my opinion, unless we send some bill to the House of Representatives, legislation on this subject will be indefinitely delayed. The other House may not even consider the subject unless we send a bill to it. I have very great hope that this bill will be amended and expanded so as to make it satisfactory. Out of either the House of Representatives or a conference between the two Houses, I hope we may secure legislation which will amply provide what I feel to be necessary in the way of post-war legislation dealing with unemployment as well as conversion, and also the disposition of surplus property. If we vote against the bill now, as it has been finally finished by the Senate, we shall send nothing to the House. We shall not have gained legislation. In that view of the situation I feel it to be my duty to vote for the bill, however unsatisfactory and inadequate it may be, because I think it is necessary to get some legislation started from this end of the Capitol in order that proper post-war legislation may be speedily enacted. With that view of the matter, I shall vote for the bill.

Mr. KILGORE. Mr. President, in line with what the distinguished majority leader has said, I feel that I should make some remarks in explanation of my vote.

I do not think the bill is adequate, and I do not think the Senate should send an inadequate bill to the other House to be perfected.

Mr. HATCH. Mr. President, I rise merely to say that I shall vote "nay" on the pending question. I shall vote that way because I believe the present bill is entirely inadequate and unrealistic. We should enact a bill which would give some form of hope to those for whom we should provide a genuine program. I do not believe the pending bill would do that. I am not altogether sure that I am in favor of the bill sponsored by the Senator from West Virginia [Mr. KILGORE], but I certainly am not in favor of the bill which has been designed and is to be passed through this body by the methods which have been adopted. I need not elaborate on that statement. I shall vote "nay."

Mr. O'MAHONEY. Mr. President, I had not intended to make any comment at this stage of the proceeding, but in view of what has been said I feel it is incumbent upon me to add two or three remarks.

This is not the last day on which the Senate of the United States will be in session. It is not the last day, the last week, or the last month in which the Congress will have the opportunity of considering this matter and matters relating to it. I share the opinion of the majority leader and of many other Members that the bill is inadequate. It deals with only one small portion of a very broad subject. I do not believe that the Senate has done what should be done in providing for unemployment benefits. I am conscious of the fact that a provision of that kind should be made. But this is one step in a very long journey toward the reconversion of the United States to a peacetime basis. The mere fact that the bill which came to the Senate from the Military Affairs Committee is not being approved this afternoon does not mean that the philosophy which is represented by the bill—a philosophy to which I completely give my adherence—has been abandoned.

Mr. HATCH. Mr. President, I may say to the Senator from Wyoming that, with all his fine words and philosophy, the bill is being killed right now.

Mr. O'MAHONEY. I do not believe so. This measure is going over to the House of Representatives. The House will undertake to act upon this narrow phase of the bill and upon other phases of it, and if provision is not made for dealing adequately with the problem of unemployment, I have no doubt in the world that the Senate and the House will take care of it.

The first step in reconversion is to set up the organization which the bill proposes to set up, and to get it working. If the Senate should not pass the bill now, we would be set back 6 months or a year in dealing with the problem one step at a time. Therefore I shall vote for the bill.

Mr. LANGER. Mr. President, I understood from the chairman of the Committee on Finance today that the bill had been considered for many months. At no place in the bill is agriculture provided for. The Murray-Truman-Kilgore bill went further in the protection of poor people, farm labor, than does the George bill. I want the Record to show that I vote against the George bill for the reason that it is entirely inadequate, and discriminates against the farmer.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). I have a pair with the Senator from North Dakota [Mr. Nye], which I transfer to the Senator from Nevada [Mr. McCarran], and will vote. I vote "nay." If present and voting the Senator from Nevada would vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with

the senior Senator from New Hampshire [Mr. BRIDGES]. I have been advised that if he were present he would vote as I shall vote, and therefore I am at liberty to vote. I vote "yea."

Mr. WAGNER (when his name was called). I have a pair with the junior Senator from Kansas [Mr. REED]. I transfer that pair to the junior Senator from Nevada [Mr. SCRUGHAM], and will vote. I vote "nay."

The roll call was concluded.

Mr. DAVIS (after having voted in the affirmative). Announcing my pair and its transfer as on the previous vote, I allow my vote to stand. If present and voting the junior Senator from South Dakota [Mr. BUSHFIELD] would vote as I have voted.

Mr. JOHNSON of Colorado. The senior Senator from Montana [Mr. WHEELER] is detained. If he were present he would vote "nay."

Mr. GEORGE. Mr. President, I wish to announce that the senior Senator from North Carolina [Mr. BAILEY] is absent. If he were present he would vote "yea."

Mr. HILL. I announce that the senior Senator from Mississippi [Mr. BILBO] is recuperating from a major operation at the Mayo Clinic, and that the senior Senator from Washington [Mr. BONE] and the senior Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Idaho [Mr. CLARK], the Senator from Iowa [Mr. GILLETTE], and the Senator from South Carolina [Mr. SMITH] are necessarily absent.

The Senator from Illinois [Mr. LUCAS], the Senator from Nevada [Mr. MCCARRAN], the Senator from Utah [Mr. MURDOCK], the Senator from Nevada [Mr. SCRUGHAM], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

Mr. WHERRY. The senior Senator from New Hampshire [Mr. BRIDGES], the junior Senator from South Dakota [Mr. BUSHFIELD], the senior Senator from North Dakota [Mr. NYE], the junior Senator from Kansas [Mr. REED], the junior Senator from Ohio [Mr. BURTON], and the senior Senator from Oregon [Mr. HOLMAN] are necessarily absent. If present all these Senators would vote "Yea" on this question.

The Senator from Minnesota [Mr. BALL] and the Senator from Idaho [Mr. THOMAS] are necessarily absent.

The result was announced—yeas 55, nays 19, as follows:

YEAS—55

Alken	Ferguson	Russell
Andrews	George	Shipstead
Austin	Gerry	Stewart
Bankhead	Gurney	Taft
Barkley	Hawkes	Thomas, Utah
Brewster	Jackson	Tobey
Brooks	Johnson, Calif.	Tunnell
Buck	McClellan	Tydings
Butler	McKellar	Vandenberg
Byrd	Maloney	Walsh, Mass.
Capper	Maybank	Walsh, N. J.
Caraway	Millikin	Weeks
Chandler	Moore	Wherry
Clark, Mo.	O'Mahoney	White
Cordon	Overton	Wiley
Danaher	Radcliffe	Willis
Davis	Revercomb	Wilson
Eastland	Reynolds	
Ellender	Robertson	

NAYS—19

Chavez	Hill	O'Daniel
Connally	Johnson, Colo.	Pepper
Downey	Kilgore	Truman
Green	Langer	Wagner
Guffey	McFarland	Wallgren
Hatch	Mead	
Hayden	Murray	

NOT VOTING—22

Bailey	Gillette	Reed
Ball	Glass	Scrugham
Bilbo	Holman	Smith
Bone	La Follette	Thomas, Idaho
Bridges	Lucas	Thomas, Okla.
Burton	McCarran	Wheeler
Bushfield	Murdock	
Clark, Idaho	Nye	

So the bill (S. 2051) was passed.

The title was amended so as to read: "A bill to amend the Social Security Act, as amended, to provide a national program for war mobilization and post-war adjustment, and for other purposes."

Mr. DANAHER subsequently said: Mr. President, I ask unanimous consent that there be printed in the RECORD immediately following our action on Senate bill 2051 a copy of the bill as passed, with the amendments.

There being no objection, the bill, as passed, was ordered to be printed in the RECORD, as follows:

S. 2051

An act to amend the Social Security Act, as amended, to provide a national program for war mobilization and post-war adjustment, and for other purposes

Be it enacted, etc.,

TITLE I—GENERAL PROVISIONS

SEC. 101. The Congress hereby declares that the objectives of this act are—

(a) to facilitate maximum war production during the war and to expedite the transition from war to peace;

(b) to achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of transition from war to peace, and thereafter; and

(c) to provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

SEC. 102. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the Director). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of 2 years.

(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion:

(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

(2) Surplus War Property Administration, created by Executive Order No. 9425, and any surplus war property administration hereafter created by statute.

(3) Retraining and Reemployment Administration created by Executive Order No. 9427, and any similar office or administration created in this or any other act.

Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to other agencies not specifically placed within his office.

(c) In addition to any powers which the President may delegate to him for the purpose of more effectively coordinating the mobilization of the Nation for war, and for the purpose of more effectively attaining the objectives of this act, the Director shall, subject to the direction of the President—

(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace in such a manner as to achieve the objectives of this act;

(2) issue such directives to other executive agencies as may be necessary to carry out their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the directives of the Director expeditiously and, to the extent necessary to carry out such directives, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities which are not within the scope of the powers possessed by the President or the executive agencies under existing law or future acts of the Congress;

(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

(4) promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures whereby each executive agency is kept, informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between such executive agencies in the development and administration of such plans;

(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of such agencies as now exist under Executive order only, and for the relaxation or removal of emergency war controls;

(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning methods of achieving the objectives of this act; and

(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such deputy directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other Government

agencies. The Director may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this act, and each Government agency shall furnish any information and reports so required.

SEC. 103. There is hereby created an advisory board, the members of which shall be appointed by the President, by and with the advice and consent of the Senate, and which shall include three representatives of industry, three representatives of labor, three representatives of agriculture, and three public members, one of whom shall be chairman.

It shall be the general function of the board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary to achieve the objectives of this act.

Members of the board shall receive a per diem allowance of \$25 for each day spent in the actual performance of duty, plus necessary traveling and other expenses incurred while so engaged.

SEC. 104. (a) There is hereby established a Special Joint Committee on Post-war Adjustment (hereinafter referred to as the "committee") to be composed of four Members of the Senate (not more than two of whom shall be members of the majority party) to be appointed by the President of the Senate, and four Members of the House of Representatives (not more than two of whom shall be members of the majority party) to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members. The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The committee may utilize such voluntary and uncompensated services as it deems necessary, and is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government. The expenses of the committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman.

(b) It shall be the function of the committee—

(1) to make a full and complete study and investigation with regard to legislation on demobilization and post-war adjustment in cooperation with such public and private agencies and such persons as it might see fit to consult;

(2) to consult with the President and the Director on the need for legislation on demobilization and post-war adjustment;

(3) to consult with the appropriate standing committees in the Senate and in the House of Representatives on the preparation of demobilization and post-war adjustment legislation, and on methods of obtaining expeditious action on demobilization and post-war adjustment legislation by achieving coordination among, and avoiding duplication of effort between, such committees; and

(4) to study and review each report submitted to the Congress by the Director, and otherwise maintain continuous surveillance of the operations of the Director and other executive agencies under this act.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

SEC. 201. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency

the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the continuation of some or all of the work under any such contract will benefit the Government or is necessary to avoid substantial injury to a plant or property.

SEC. 202. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

(b) the Government agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

(c) the Director shall—

(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

(2) establish policies providing for full consultation between the Government agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by, and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of \$8,000 per year, and shall serve for a term of 2 years. When any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or groups of items for nonwar use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity forthwith to present his views thereon at a hearing before the Board of Appeals. If, at such hearing, such person establishes to the satisfaction of the Board of Appeals that as a result of such action his business operations

will be seriously interfered with or substantially curtailed because of a shortage of any material necessary to such operations, that his inability to continue business operations will result in a serious unemployment problem for his employees, or that the interests of the consumers of the articles produced or manufactured by such person will be substantially impaired, the Board of Appeals shall make an immediate report thereon to the Director. Thereupon the Director shall allocate to such person such amounts of the material with respect to which the shortage exists as in his judgment will be necessary to prevent substantial hardship to such person, his employees, or consumers.

SEC. 204. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

TITLE III—RETRAINING AND REEMPLOYMENT

SEC. 301. There is hereby established a Retraining and Reemployment Administration (hereinafter referred to as the "Administration"), the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, shall be exercised by a Retraining and Reemployment Administrator (hereinafter in this title referred to as the "Administrator"), to be appointed by the Director of War Mobilization and Reconversion, at a salary of \$12,000 per annum.

SEC. 302. With the assistance of a Retraining and Reemployment Policy Board, composed of a representative of the Department of Labor, the Federal Security Agency, the War Manpower Commission, the Selective Service System, the Veterans' Administration, the Civil Service Commission, the War Department, the Navy Department, and the War Production Board, it shall be the function of the Administration—

(a) to have general supervision and direction of the activities of all Government agencies relating to the retraining and reemployment of persons released from war work, including all work directly affected by the cessation of hostilities or the reduction of the war program and to issue necessary regulations in connection therewith. Nothing in this section shall be deemed in any extent to affect, amend or modify the powers now vested in the Veterans' Administration or the Administrator of Veterans' Affairs.

(b) in consultation with the Government agencies concerned, to develop plans and programs relating to such retraining and reemployment.

SEC. 303. The Administrator shall have power to provide transportation, including transportation of dependents and household effects for civilian workers who have been employed in activities essential to the war effort, from the place of such employment to the location of their bona fide residence within the continental United States prior to their migration to war employment, or, at the election of such worker, to any other location of new employment arranged by the worker: *Provided*, That the cost of such transportation shall not exceed \$200 for any one worker, his dependents, and household effects, and shall not exceed the amount allowable for civilian employees of the several departments and independent establishments of the Federal Government in the Standard Government Travel Regulations.

SEC. 304. The War and Navy Departments shall discharge from the armed forces of the United States the men and women serving therein during the present war as rapidly as the appropriate department determines that the services of such persons are no longer needed for the prosecution of the war or for the national defense, and shall not retain such persons in the armed forces merely for the purpose of preventing unemployment or awaiting opportunities for employment.

SEC. 305. The Administrator shall confer with all existing Federal, State, and local agencies and officials in charge of existing programs relating to vocational education, vocational rehabilitation, training in industry, and other similar programs, and secure the expansion of such programs when and if necessary. If he finds that such expansion cannot be secured, or can only be secured by additional Federal legislation or assistance, he shall recommend to Congress such appropriations and legislation as he considers necessary to carry out the provisions of this act.

SEC. 306. The Administrator shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Administrators and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Assistant Administrators and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable the Administrator shall perform the duties imposed upon him through the facilities and personnel of other Government agencies.

TITLE IV—ADVANCES TO STATE UNEMPLOYMENT FUNDS

SEC. 401. (a) Section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: "or deposited pursuant to appropriations to the Federal unemployment account."

(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words "a separate book account for each State agency" a comma and the following: "the Federal unemployment account."

(c) Section 904 of the Social Security Act, as amended, is further amended by adding at the end of the section the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers to and from the Federal unemployment account and the account of any State in the Unemployment Trust Fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment

administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of titles XII and XIII. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this act, for the administration of that title by the Board, and for the administration of title IX of this act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this act, the sum of \$40,561,886.43 which was authorized to be appropriated by the act of August 24, 1937 (50 Stat. 754)."

SEC. 402. The Social Security Act, as amended, is further amended by adding at the end thereof the following new titles:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 1201. (a) In the event that the balance in the unemployment fund of a State on June 30, 1945, or on the last day in any ensuing calendar quarter, does not exceed a sum equal to the total contributions collected under the unemployment compensation law of the State during the calendar year next preceding such day, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the unemployment trust fund an amount equal to the unemployment compensation paid out by it in the calendar quarter following such day, which is in excess of 2.7 percent of the total remuneration, paid during such quarter, subject to State law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment compensation agency of such State and shall be repaid by such State agency to the Federal unemployment account from the unemployment fund of that State to the extent that the fund of that State, at the end of any calendar quarter, exceeds a sum equal to the total contributions collected under the unemployment compensation law of the State during the preceding calendar year."

Unemployment compensation for Federal employees

SEC. 403. (a) The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII—UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

"SEC. 1301. (a) Any person who shall have rendered service as a civilian in the employ of the United States Government, after September 16, 1940, shall be entitled, in accordance with the applicable provisions of the unemployment compensation law of the

State in which claim for compensation is filed, to receive compensation for each week of unemployment commencing after September 30, 1944, in the same amounts, on the same terms, and subject to the same conditions, as though the unemployment compensation laws of the several States did not exclude services performed in the employ of the United States Government. Any claim for compensation under this section shall be filed in a State in which a part of the service in the employ of the United States Government was performed. As used in this section, the term 'United States Government' includes any wholly owned instrumentality of the United States.

"(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment-compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians in the employ of the United States Government, on the basis provided in subsection (a).

"(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(d) In the event that any State does not agree to make such payments to such persons, the Civil Service Commission is hereby authorized and directed to make such payments.

"(e) All departments, agencies, and instrumentalities of the United States are directed to make available to the appropriate State agency such information with reference to compensation of persons in the employ of the United States Government as may be necessary to determine the benefits payable under this title.

"(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

"(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

"(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office,

shall make payment in accordance with such certification."

SEC. 404. This act, and the amendments to the Social Security Act made thereby, shall cease to be effective at the end of the second full calendar year after the termination of hostilities in the present war as declared by Presidential proclamation or concurrent resolution of the Congress, except that the obligation of the State agencies to repay advances made from the Federal unemployment account shall remain effective until such advances are repaid. Any amounts so repaid after the end of such year, and any amounts in the Federal unemployment account at the end of such year, shall be covered into the general fund of the Treasury.

TITLE V—PUBLIC WORKS

SEC. 501. The Administrator of the National Housing Agency is authorized and directed to survey and analyze national housing needs in the period of transition from war to peace and thereafter, and to develop for submission to the President and the Congress a comprehensive program for meeting such needs through private housing and through research, technical assistance, and financial aid with respect to private housing and with respect to local housing undertaken by communities and integrated with plans for community or urban development.

SEC. 502. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 percent in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 percent according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 percent of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all local or regional plan approved by competent local or regional authority.

(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) As used in this section, the term "State" shall include the District of Columbia.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. When used in this act—

(a) The term "Government agency" means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

(b) The term "contracting agency" means any Government agency which has been or

hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

SEC. 602. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this act.

SEC. 603. The provisions of this act shall become effective immediately, unless otherwise provided in the act, and unless otherwise provided shall be terminated at the end of 24 months after the termination of hostilities.

SEC. 604. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

SEC. 605. When the Director first appointed under section 102 has taken office, the Office of War Mobilization established by Executive Order No. 9347, dated May 27, 1943, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine shall be transferred to the Office of Mobilization and Adjustment.

SEC. 606. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless and until superseded by the Director in accordance with this act, or by operation of law.

SEC. 607. No alien shall be employed in any capacity in the administration of this act unless he has served honorably in the armed forces of the United States.

SEC. 608. (a) The Secretary of Labor shall make a full study and investigation as to—

(1) the extent to which the adoption of annual wage systems would contribute to full employment and rising standards of living;

(2) the factors in favor of and against the adoption of various types of annual wage systems in various industries;

(3) present and past use of annual wage systems by particular industries or individual employers;

(4) other wage systems which might contribute to full employment and rising standards of living; and

(5) possible means to be used by the Government through tax advantages or otherwise in promoting adoption of annual wage systems or other wage systems designed to bring about full employment and rising standards of living.

(b) The Secretary of Labor shall submit to the President, the Senate, and the House of Representatives, within 6 months after the enactment of this act, and at such later dates as the Secretary may deem desirable, reports on the results of the studies called for in this section.

SEC. 609. This act may be cited as the "War Mobilization and Reconversion Act of 1944."

Mr. BARKLEY. Mr. President, I desire, for the information of the Senate, to inquire of the Committee on Military Affairs when we may expect the surplus property bill, which is now pending before that committee, to be reported to the Senate. I should like to have the attention of the Senator from Colorado [Mr. JOHNSON], the Senator from North Carolina [Mr. REYNOLDS], the chairman of the committee, or any other member who can furnish the information. I had

hoped that the Senator from Montana [Mr. MURRAY], who is chairman of the subcommittee having charge of the bill, would be on the floor, but he seems to have stepped out. The Senator from Tennessee [Mr. STEWART] and the Senator from Ohio [Mr. TAFT] are also on the subcommittee. In order that Senators may know what to expect next week in regard to the bill, I wish to inquire when it is likely to be reported.

Mr. REYNOLDS. Mr. President, I have conferred with the Senator from Montana [Mr. MURRAY], and I have called a meeting of the Committee on Military Affairs for Tuesday in order that we may receive a report from the subcommittee of which the Senator from Montana is chairman on the Stewart bill and on the Johnson bill. The Senator from Colorado [Mr. JOHNSON] is present.

Mr. BARKLEY. Is it likely that the committee can report the bill on Tuesday?

Mr. REYNOLDS. I hope the subcommittee may be able to report the bill to the full committee at 12 o'clock next Tuesday.

Mr. JOHNSON of Colorado. Mr. President, do I understand the Senator from North Carolina to say that the Senate Military Affairs Committee will report out a bill for the calendar on Tuesday, or that the committee will hold a meeting on Tuesday?

Mr. REYNOLDS. No; the committee will hold a meeting on Tuesday. I hope the subcommittee may be able to report the bill to the full committee on Tuesday.

Mr. JOHNSON of Colorado. Oh, yes.

Mr. REYNOLDS. It is my understanding that a meeting of the subcommittee will be held tomorrow morning, and also on Monday.

Mr. BARKLEY. I think Senators would be happy to be advised, if it is possible, whether the Committee on Military Affairs is likely to report the bill for the calendar on Tuesday or any other day next week. If the committee is not going to report legislation on that subject next week or in time to take it up next week there is no point in Senators remaining here for that purpose. So far as I know, there is no other important legislation requiring their attention, which is ready for consideration or that may be taken up for consideration.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BARKLEY. I will yield to the Senator from Louisiana after I have obtained some information from the Military Affairs Committee.

Mr. JOHNSON of Colorado. Mr. President—

Mr. BARKLEY. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I have not looked in any crystal ball, so I cannot tell very much about what the Senate Military Affairs Committee will do. I will say, however, that the question of the disposal of surplus property presents a very great problem. No part of the conversion problem approaches it in magnitude and importance. There is very great difference of opinion in the

committee now with respect to the question. Whether the difference can be resolved, or whether it cannot, remains to be seen. But it is my opinion that it will take at least 2 days of most intensive work on the part of the Military Affairs Committee to report a bill dealing with surplus property for the consideration of the Senate. If we receive the report from the subcommittee on Tuesday, and if we are diligent and work hard for 2 or 3 days we will probably have a bill ready. It is my opinion that the committee report and everything else pertaining to the bill cannot be perfected and reported to the Senate until a week from Monday. I do not think that we can possibly have a bill ready for the consideration of the Senate before the 21st of August.

We might beat that time by a few days. We might have a bill ready by Thursday or by Friday of next week. Sometimes when we try to make haste we do the opposite. I think that would be true of this bill. It represents a very important piece of legislation. There are many angles to it.

Mr. BARKLEY. Under the circumstances, it seems to me that we will not know very much more about the matter until next Tuesday at least. It is my purpose to move that the Senate adjourn until next Tuesday; that we not have a session tomorrow or Monday. I think it is important to get the proposed legislation on the floor and consider it as soon as possible. I do not care to urge undue haste. When the legislation comes to the Senate I hope it will come with a report from the committee which will guide the Senate in its disposition of the subject.

Mr. REYNOLDS. Mr. President, I wish to say to the majority leader that we all know this is a very important problem, because it involves approximately \$100,000,000,000. I talked with the Senator from Tennessee [Mr. STEWART] at luncheon about his bill. He said that he believed surplus property would amount to in excess of \$80,000,000,000. The Committee on Military Affairs wants to give careful thought to the matter. Most of the members are present. We desire to have the first meeting next Tuesday. The chairman of the committee is very desirous that every member of the Military Affairs Committee give study to and pass on the proposed legislation in order that we may be able to be of some benefit to the other Members of this body when the matter finally comes up for consideration on the floor of the Senate.

Mr. President, to be perfectly frank with the leader, I do not believe we would be able, with as much difference of opinion as exists with respect to the matter, to submit a bill to this body before Monday a week. It is going to take some time to consider the matter.

Mr. BARKLEY. The Senator thinks the bill will not be ready for consideration on the Senate floor earlier than Monday a week?

Mr. REYNOLDS. I do not think it will be ready for a week.

Mr. BARKLEY. I am trying to obtain information for the guidance of Members of the Senate.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. STEWART. It might be possible for the Senate Military Affairs Committee to report the bill by Thursday, it seems to me. I am not a member of that committee. The chairman of the committee has just spoken. I do not wish to take issue with him on that question, but merely make the suggestion. The committee might be ready to report the bill on the floor on Thursday of next week.

Mr. REYNOLDS. I do not believe we will be able to do so.

Mr. BARKLEY. Evidently we will find out a little more on Tuesday than we can find out now. Senators will have to be governed by the situation as they see it as to whether they shall remain here or depart hence. I think, under the circumstances, it would not be wise for Senators to make arrangements to be absent from Washington or from the Senate all of next week.

My own judgment is, if I may say so, that when the committee reports the bill we can in all likelihood dispose of it in a couple of days. That is my judgment about the matter. I hope that is true. I have arrived at that judgment from an expression of opinion on the part of many members of the committee.

Mr. STEWART. It is quite possible, I will say to the Senator from Kentucky, that it will take a few days for consideration of the bill on the part of the whole committee, because two bills have been suggested, my bill and the bill of the Senator from Colorado [Mr. JOHNSON]. In a great many respects the two bills express two entirely different philosophies concerning the disposition of surplus property.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. Mr. President, in my opinion, the most important part of the disposal of the surplus property has to do with the disposition of surplus airplanes. I happen to have been chairman of a subcommittee of the Committee on Commerce which has had that matter under consideration. We expect to make a report on the subject very shortly. We certainly expect to be heard on any general question of disposition of surplus property.

Mr. BARKLEY. I thank the Senator from Missouri.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHITE. I wanted to see if I clearly understand the situation. It is the purpose of the Senator from Kentucky to move to adjourn or recess until Tuesday next?

Mr. BARKLEY. Yes.

Mr. WHITE. If the Committee on Military Affairs has not reported a surplus property bill at that time, is it the purpose to make any other legislation the unfinished business of the Senate, or may we assume that we will stand more or less in suspense until the Military Affairs Committee legislation is before us?

Mr. BARKLEY. If I were to say that I expected to stand more or less in suspense until that legislation is reported, I might probably have two or three Senators on my neck concerning other bills on the calendar.

Mr. WHITE. I should think there would probably be more than two or three Senators.

Mr. BARKLEY. Yes. I think we can tell more about that on next Tuesday than we can predict today. I should like to give Senators all the information I can, but the Senator from Maine understands the situation as well as I do now. I think it is very important to take up the surplus property legislation first, if it shall be ready for consideration on the floor of the Senate. I do not like to anticipate taking up any other bill which is controversial and considering it in advance of the surplus-property legislation.

Mr. HILL. Mr. President, the Senator from North Carolina expressed the views I have with respect to the matter. The Committee on Military Affairs ought to make all possible speed, but the subject is exceedingly important. I am sure it is going to take several days for the committee to study the bill and be ready to report it to the Senate.

Mr. MEAD. Mr. President, the Special Committee to Investigate the National Defense Program, of which I have the honor to be chairman, held an executive session yesterday for the purpose of considering matters of policy and determining upon a program for the work of the committee in the immediate future.

The great recent successes of our armed forces make it imperative that we leave no stone unturned to make certain that they have all the war matériel necessary to prosecute the war with the greatest vigor. We must see to it that the war is won just as soon as possible. All other considerations are secondary.

However, the great successes already achieved by our armed forces emphasize again the necessity that we have sound plans for an easy transition from war production to civilian production.

Problems inherent in that transition are truly great. In November of last year the committee called attention to those problems so that advance consideration could be given to an effective means of dealing with them. The committee is not a legislative committee. It has not suggested in the past, and it does not propose now to suggest, specific legislation. That is the function of other committees, and able work is being done by them right now on this very subject.

The committee's attention is devoted primarily to problems that either do not require legislation or as to which legislation at best would present only a partial solution.

One of these problems is the disposal of surplus inventories of goods at home and abroad. We must salvage whatever we can of these surplus goods. We thereby reduce the cost of the war and we provide articles for civilian use at a time when shortages of manpower and materials prevent ordinary civilian production. We must also consider materials

THE

PROCEEDINGS OF THE

AN ACT

TO

FOR

THE

OF

AND



78TH CONGRESS
2D SESSION

S. 2051

IN THE HOUSE OF REPRESENTATIVES

AUGUST 14, 1944

Referred to the Committee on Ways and Means

AN ACT

To amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—GENERAL PROVISIONS

4 SEC. 101. The Congress hereby declares that the objec-
5 tives of this Act are—

6 (a) to facilitate maximum war production during
7 the war and to expedite the transition from war to peace;

8 (b) to achieve full employment, rising standards
9 of living, and effective utilization of the Nation's re-

1 sources during the period of transition from war to peace,
2 and thereafter; and

3 (c) to provide for the development of unified plans
4 and projects and adequate machinery to achieve the
5 foregoing objectives.

6 SEC. 102. (a) There is hereby established the Office
7 of War Mobilization and Reconversion, which shall be headed
8 by the Director of War Mobilization and Reconversion
9 (hereinafter called the "Director"). The Director shall be
10 appointed by the President, by and with the advice and
11 consent of the Senate, shall receive compensation at the rate
12 of \$15,000 per year, and shall serve for a term of two years.

13 (b) The following agencies shall be placed within the
14 Office of War Mobilization and Reconversion:

15 (1) Office of Contract Settlement, created by the Con-
16 tract Settlement Act of 1944.

17 (2) Surplus War Property Administration, created by
18 Executive Order Numbered 9425, and any surplus war
19 property administration hereafter created by statute.

20 (3) Retraining and Reemployment Administration,
21 created by Executive Order Numbered 9427, and any similar
22 office or administration created in this or any other Act.

23 Nothing in this subsection shall imply any derogation
24 of the powers of the Director under subsection (c) with

1 respect to other agencies not specifically placed within his
2 office.

3 (c) In addition to any powers which the President may
4 delegate to him for the purpose of more effectively coordinat-
5 ing the mobilization of the Nation for war, and for the pur-
6 pose of more effectively attaining the objectives of this Act,
7 the Director shall, subject to the direction of the President—

8 (1) formulate or have formulated such plans as are
9 necessary to meet the problems arising out of the transi-
10 tion from war to peace in such a manner as to achieve
11 the objectives of this Act;

12 (2) issue such directives to other executive agencies
13 as may be necessary to carry out their powers in a man-
14 ner consistent with the plans formulated under this sec-
15 tion or to coordinate the activities of other executive
16 agencies with respect to the problems arising out of the
17 transition from war to peace. Each executive agency
18 shall carry out the directives of the Director expedi-
19 tiously and, to the extent necessary to carry out such
20 directives, shall modify its operations and procedures
21 and issue regulations with respect thereto. Nothing
22 contained in this section shall be construed as authoriz-
23 ing any activities which are not within the scope of the
24 powers possessed by the President or the executive

1 agencies under existing law or future Acts of the
2 Congress;

3 (3) recommend to the Congress appropriate legis-
4 lation providing authority to carry out plans developed
5 under this section but not authorized under existing law;

6 (4) promote and assist in the development of de-
7 mobilization and reconversion plans by other executive
8 agencies; develop procedures whereby each executive
9 agency is kept informed of proposed demobilization and
10 reconversion plans and proposals which relate to its work
11 and which are being developed or carried out by other
12 executive agencies; and settle controversies between such
13 executive agencies in the development and administra-
14 tion of such plans;

15 (5) cause studies and reports to be made for him
16 by the various executive agencies which will enable
17 him to determine the need for the simplification, con-
18 solidation, or elimination of such executive agencies as
19 have been established for the purposes of the war emer-
20 gency, for the termination, or establishment by statute,
21 of such agencies as now exist under Executive order
22 only, and for the relaxation or removal of emergency
23 war controls;

24 (6) institute a specific study, for submission to
25 the President and the Congress, of the present functions

1 of the various executive agencies in the field of man-
2 power, and develop a program for reorganizing and
3 consolidating such agencies to the fullest extent
4 practicable;

5 (7) consult and cooperate with State and local
6 governments, industry, labor, agriculture, and other
7 groups, both national and local, concerning methods of
8 achieving the objectives of this Act; and

9 (8) submit reports to the President, the Senate,
10 and the House of Representatives on the 1st days of
11 January, April, July, and October, on the activities
12 undertaken or contemplated by him under this Act.
13 Such reports shall summarize and appraise the activities
14 of the various executive agencies in the field of demobili-
15 zation and post-war adjustment, and may include such
16 legislative proposals as he may deem necessary or
17 desirable.

18 (d) The Director shall, within the limits of funds which
19 may be made available, employ and fix the compensation
20 of such deputy directors and other officers and employees,
21 and may make such expenditures for supplies, facilities, and
22 services as may be necessary to carry out his functions and
23 the functions of the Office. All such officers and employees
24 shall be appointed in accordance with the civil-service laws
25 and their compensation fixed in accordance with the Classi-

1 fication Act of 1923, as amended, except that Deputy Di-
2 rectors and expert administrative, technical, and professional
3 personnel may be employed and their compensation fixed
4 without regard to such laws. To the fullest extent prac-
5 ticable, the Director shall perform the duties imposed upon
6 him through the facilities and personnel of other Govern-
7 ment agencies. The Director may require such reports and
8 information from other Government agencies as he deems
9 necessary to enable him to carry out his functions under this
10 Act, and each Government agency shall furnish any infor-
11 mation and reports so required.

12 SEC. 103. There is hereby created an advisory board,
13 the members of which shall be appointed by the President,
14 by and with the advice and consent of the Senate, and which
15 shall include three representatives of industry, three repre-
16 sentatives of labor, three representatives of agriculture, and
17 three public members, one of whom shall be Chairman.

18 It shall be the general function of the board to advise
19 with the Director with respect to war mobilization and re-
20 conversion and make to him such recommendations relating
21 to legislation, policies, and procedures as it may deem neces-
22 sary to achieve the objectives of this Act.

23 Members of the board shall receive a per diem allowance
24 of \$25 for each day spent in the actual performance of duty,

1 plus necessary traveling and other expenses incurred while
2 so engaged.

3 SEC. 104. (a) There is hereby established a Special
4 Joint Committee on Post-war Adjustment (hereinafter re-
5 ferred to as the "committee") to be composed of four Mem-
6 bers of the Senate (not more than two of whom shall be
7 members of the majority party) to be appointed by the
8 President of the Senate, and four Members of the House of
9 Representatives (not more than two of whom shall be mem-
10 bers of the majority party) to be appointed by the Speaker
11 of the House of Representatives. Vacancies in the member-
12 ship of the committee shall not affect the power of the re-
13 maining members to execute the functions of the committee,
14 and shall be filled in the same manner as in the case of the
15 original selection. The committee shall select a chairman
16 and a vice chairman from among its members. The com-
17 mittee is empowered to appoint and fix the compensation of
18 such experts, consultants, technicians, and clerical and steno-
19 graphic assistants as it deems necessary and advisable. The
20 committee may utilize such voluntary and uncompensated
21 services as it deems necessary, and is authorized to utilize
22 the services, information, facilities, and personnel of the de-
23 partments and agencies of the Government. The expenses
24 of the committee shall be paid one-half from the contingent

1 fund of the Senate and one-half from the contingent fund of
2 the House of Representatives upon vouchers signed by the
3 chairman.

4 (b) It shall be the function of the committee—

5 (1) to make a full and complete study and investi-
6 gation with regard to legislation on demobilization and
7 post-war adjustment in cooperation with such public and
8 private agencies and such persons as it might see fit to
9 consult;

10 (2) to consult with the President and the Director
11 on the need for legislation on demobilization and post-
12 war adjustment;

13 (3) to consult with the appropriate standing com-
14 mittees in the Senate and in the House of Representa-
15 tives on the preparation of demobilization and post-war
16 adjustment legislation, and on methods of obtaining ex-
17 peditious action on demobilization and post-war adjust-
18 ment legislation by achieving coordination among, and
19 avoiding duplication of effort between, such committees;
20 and

21 (4) to study and review each report submitted to
22 the Congress by the Director, and otherwise maintain
23 continuous surveillance of the operations of the Director
24 and other executive agencies under this Act.

1 TITLE II—INDUSTRIAL DEMOBILIZATION AND
2 RECONVERSION

3 SEC. 201. Any contracting agency shall terminate prime
4 contracts for war production whenever in the opinion of
5 the agency the performance under such contracts will not
6 be needed for the prosecution of the war, and shall not
7 continue performance under such contracts merely for the
8 purpose of providing business and employment, or for any
9 purposes other than the prosecution of the war, unless the
10 continuation of some or all of the work under any such
11 contract will benefit the Government or is necessary to avoid
12 substantial injury to a plant or property.

13 SEC. 202. Curtailments of war production or termi-
14 nations of war contracts shall be integrated and synchronized
15 with the expansion, resumption, or initiation of production
16 for other war purposes, and, to the greatest extent com-
17 patible with the effective prosecution of the war, of produc-
18 tion for nonwar use. To effectuate this policy—

19 (a) the contracting agencies shall continuously sur-
20 vey their product and material requirements and report
21 to the Director, in such form and detail as he may de-
22 termine, on current and anticipated changes in require-
23 ments and on all anticipated curtailments of war pro-
24 duction or terminations of war contracts;

1 (b). the Government agencies exercising control
2 over manpower, production, or materials shall permit
3 the expansion, resumption, or initiation of production
4 for nonwar use whenever such production does not
5 require materials, components, facilities, or labor needed
6 for war purposes, or will not otherwise adversely affect
7 or interfere with the production for war purposes. Such
8 production for nonwar use shall be permitted regardless
9 of whether one or more competitors normally engaged
10 in the same type of production are still engaged in the
11 performance under any contract which is needed for
12 the prosecution of the war, and shall not be made
13 dependent upon the existence of a concern or the func-
14 tioning of a concern in a given field of activity at a
15 given time;

16 (c) the Director shall—

17 (1) establish policies to be followed by the
18 contracting agencies in selecting individual con-
19 tracts or classes of contracts for curtailment, non-
20 renewal, or termination;

21 (2) establish policies providing for full consul-
22 tation between the Government agencies, war con-
23 tractors, and the representatives of the employees
24 of war contractors with regard to obtaining the most
25 effective use in other war production or in produc-

tion for non-war use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for non-war use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for non-war use from so participating in such production.

(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of \$8,000 per year, and shall serve for a term of two years. When any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or group of items for non-war use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity forthwith to present his views thereon at a hearing before the Board of Appeals. If, at such hearing, such person establishes to the satisfaction of the Board of

1 Appeals that as a result of such action his business operations
2 will be seriously interfered with or substantially curtailed
3 because of a shortage of any material necessary to such
4 operations, that his inability to continue business operations
5 will result in a serious unemployment problem for his em-
6 ployees, or that the interests of the consumers of the articles
7 produced or manufactured by such person will be substan-
8 tially impaired, the Board of Appeals shall make an im-
9 mediate report thereon to the Director. Thereupon the
10 Director shall allocate to such person such amounts of the
11 material with respect to which the shortage exists as in his
12 judgment will be necessary to prevent substantial hardship
13 to such person, his employees, or consumers.

14 SEC. 204. The Attorney General is directed to make
15 surveys for the purpose of determining any factors which
16 may tend to eliminate competition, create or strengthen
17 monopolies, injure small business, or otherwise promote
18 undue concentration of economic power in the course of war
19 mobilization and during the period of transition from war to
20 peace and thereafter. The Attorney General shall submit
21 to the Congress within ninety days after the approval of this
22 Act, and at such times thereafter as he deems desirable,
23 reports setting forth the results of such surveys and including
24 recommendations for such legislation as he may deem neces-
25 sary or desirable.

1 TITLE III—RETRAINING AND REEMPLOYMENT

2 SEC. 301. There is hereby established a Retraining and
3 Reemployment Administration (hereinafter referred to as
4 the "Administration"). the functions of which, subject to
5 the general supervision of the Director of War Mobilization
6 and Reconversion, shall be exercised by a Retraining and
7 Reemployment Administrator (hereinafter in this title re-
8 ferred to as the "Administrator"), to be appointed by the
9 Director of War Mobilization and Reconversion, at a salary
10 of \$12,000 per annum.

11 SEC. 302. With the assistance of a Retraining and Re-
12 employment Policy Board, composed of a representative of
13 the Department of Labor, the Federal Security Agency, the
14 War Manpower Commission, the Selective Service System,
15 the Veterans' Administration, the Civil Service Commission,
16 the War Department, the Navy Department, and the War
17 Production Board, it shall be the function of the Adminis-
18 tration—

19 (a) to have general supervision and direction of
20 the activities of all Government agencies relating to the
21 retraining and reemployment of persons released from
22 war work, including all work directly affected by the
23 cessation of hostilities or the reduction of the war pro-
24 gram and to issue necessary regulations in connection

1 therewith. Nothing in this section shall be deemed in
2 any extent to affect, amend or modify the powers now
3 vested in the Veterans' Administration or the Adminis-
4 trator of Veterans' Affairs.

5 (b) in consultation with the Government agencies
6 concerned, to develop plans and programs relating to
7 such retraining and reemployment.

8 SEC. 303. The Administrator shall have power to pro-
9 vide transportation, including transportation of dependents
10 and household effects for civilian workers who have been
11 employed in activities essential to the war effort, from the
12 place of such employment to the location of their bona fide
13 residence within the continental United States prior to their
14 migration to war employment, or, at the election of such
15 worker, to any other location of new employment arranged
16 by the worker: *Provided*, That the cost of such transporta-
17 tion shall not exceed \$200 for any one worker, his depend-
18 ents, and household effects, and shall not exceed the amount
19 allowable for civilian employees of the several departments
20 and independent establishments of the Federal Government
21 in the Standard Government Travel Regulations.

22 SEC. 304. The War and Navy Departments shall dis-
23 charge from the armed forces of the United States the men
24 and women serving therein during the present war as rapidly
25 as the appropriate department determines that the services of

1 such persons are no longer needed for the prosecution of
2 the war or for the national defense, and shall not retain such
3 persons in the armed forces merely for the purpose of
4 preventing unemployment or awaiting opportunities for
5 employment.

6 SEC. 305. The Administrator shall confer with all exist-
7 ing Federal, State, and local agencies and officials in charge
8 of existing programs relating to vocational education, voca-
9 tional rehabilitation, training in industry, and other similar
10 programs, and secure the expansion of such programs when
11 and if necessary. If he finds that such expansion cannot be
12 secured, or can only be secured by additional Federal legis-
13 lation or assistance, he shall recommend to Congress such
14 appropriations and legislation as he considers necessary to
15 carry out the provisions of this Act.

16 SEC. 306. The Administrator shall, within the limits of
17 funds which may be made available, employ and fix the
18 compensation of such Assistant Administrators and other
19 officers and employees, and may make such expenditures for
20 supplies, facilities, and services as may be necessary to carry
21 out his functions and the functions of the Office. All such
22 officers and employees shall be appointed in accordance with
23 the civil-service laws and their compensation fixed in accord-
24 ance with the Classification Act of 1923, as amended, except
25 that Assistant Administrators and expert administrative,

1 technical, and professional personnel may be employed and
2 their compensation fixed without regard to such laws. To
3 the fullest extent practicable, the Administrator shall perform
4 the duties imposed upon him through the facilities and per-
5 sonnel of other Government agencies.

6 TITLE IV—ADVANCES TO STATE UNEM-
7 PLOYMENT FUNDS

8 SEC. 401. (a) Section 904 (a) of the Social Security
9 Act, as amended, is further amended by inserting, imme-
10 diately before the period at the end of the second sentence of
11 the subsection, a comma and the following: “or deposited pur-
12 suant to appropriations to the Federal unemployment
13 account”.

14 (b) Section 904 (c) of the Social Security Act, as
15 amended, is further amended by inserting, after the words
16 “a separate book account for each State agency” a comma
17 and the following: “the Federal unemployment account,”.

18 (c) Section 904 of the Social Security Act, as amended,
19 is further amended by adding, at the end of the section, the
20 following new subsections:

21 “(g) The Secretary of the Treasury is authorized and
22 directed, prior to audit or settlement by the General Ac-
23 counting Office, to make transfers to and from the Federal
24 unemployment account and the account of any State in
25 the Unemployment Trust Fund in accordance with certifica-

1 tion made by the Board pursuant to section 1201, not ex-
2 ceeding the amount on deposit in the Federal unemployment
3 account at the time of such transfer.

4 “(h) There is hereby established in the Unemployment
5 Trust Fund a Federal unemployment account. There is
6 hereby authorized to be appropriated to such Federal unem-
7 ployment account a sum equal to the excess of taxes col-
8 lected prior to July 1, 1943, under title IX of this Act and
9 under the Federal Unemployment Tax Act, over the total
10 unemployment administrative expenditures made prior to
11 July 1, 1943; and there is hereby authorized to be appro-
12 priated to such account for the fiscal year 1945 and for
13 each fiscal year thereafter (1) a sum equal to any excess
14 of taxes collected in the preceding fiscal year under the
15 Federal Unemployment Tax Act over the unemployment
16 administrative expenditures made in such year, and (2) such
17 further sums, if any, as may be necessary to carry out the
18 purposes of titles XII and XIII. As used in this subsection,
19 the term ‘unemployment administrative expenditures’ means
20 expenditures for grants under title III of this Act, for the
21 administration of that title by the Board, and for the admin-
22 istration of title IX of this Act and of the Federal Unem-
23 ployment Tax Act by the Department of the Treasury and
24 the Board. For the purposes of this subsection there shall
25 be deducted from the total amount of taxes collected prior

1 to July 1, 1943, under title IX of this Act, the sum of
2 \$40,561,886.43 which was authorized to be appropriated
3 by the Act of August 24, 1937 (50 Stat. 754)."

4 SEC. 402. The Social Security Act, as amended, is fur-
5 ther amended by adding at the end thereof the following
6 new titles:

7 "TITLE XII—ADVANCES TO STATE
8 UNEMPLOYMENT FUNDS

9 "SEC. 1201. (a) In the event that the balance in the
10 unemployment fund of a State on June 30, 1945, or on the
11 last day in any ensuing calendar quarter, does not exceed a
12 sum equal to the total contributions collected under the un-
13 employment compensation law of the State during the cal-
14 endar year next preceding such day, the State shall be en-
15 titled, subject to the provisions of subsections (b) and (c)
16 hereof, to have transferred from the Federal unemployment
17 account to its account in the Unemployment Trust Fund
18 an amount equal to the unemployment compensation paid
19 out by it in the calendar quarter following such day, which
20 is in excess of 2.7 per centum of the total remuneration, paid
21 during such quarter, subject to State law.

22 "(b) The Social Security Board is authorized and di-
23 rected, on application of a State unemployment compensation
24 agency, to make findings as to whether the conditions for

1 the transfer of moneys provided for in subsection (a) hereof
2 have been met; and if such conditions exist, the Board
3 is directed to certify, to the Secretary of the Treasury, from
4 time to time, the amounts for transfer in order to carry
5 out the purposes of this title, reduced or increased, as the
6 case may be, by any sum by which the Board finds that
7 the amounts transferred for any prior quarter were greater
8 or less than the amounts to which the State was entitled
9 for such quarter. The application of a State agency shall
10 be made on such forms, and contain such information and
11 data, fiscal and otherwise, concerning the operation and
12 administration of the State law, as the Board deems neces-
13 sary or relevant to the performance of its duties hereunder.

14 “(c) Any amount transferred to the account of any
15 State under this section shall be treated as an advance,
16 without interest, to the unemployment compensation agency
17 of such State and shall be repaid by such State agency to
18 the Federal unemployment account from the unemployment
19 fund of that State to the extent that the fund of that State,
20 at the end of any calendar quarter, exceeds a sum equal to
21 the total contributions collected under the unemployment
22 compensation law of the State during the preceding calendar
23 year.”

1 UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

2 SEC. 403. (a) The Social Security Act, as amended, is
3 further amended by adding at the end thereof the following
4 new title:

5 "TITLE XIII—UNEMPLOYMENT COMPENSATION
6 FOR FEDERAL EMPLOYEES

7 "SEC. 1301. (a) Any person who shall have rendered
8 service as a civilian in the employ of the United States Gov-
9 ernment, after September 16, 1940, shall be entitled, in
10 accordance with the applicable provisions of the unemploy-
11 ment compensation law of the State in which claim for
12 compensation is filed, to receive compensation for each week
13 of unemployment commencing after September 30, 1944, in
14 the same amounts, on the same terms, and subject to the
15 same conditions, as though the unemployment compensation
16 laws of the several States did not exclude services performed
17 in the employ of the United States Government. Any claim
18 for compensation under this section shall be filed in a State
19 in which a part of the service in the employ of the United
20 States Government was performed. As used in this section,
21 the term 'United States Government' includes any wholly
22 owned instrumentality of the United States.

23 "(b) The Social Security Board is authorized on behalf
24 of the United States to enter into an agreement with any
25 State or with the unemployment compensation agency of

1 such State, under which such State agency will make, as the
2 agent of the United States, payments of unemployment com-
3 pensation to individuals with respect to services performed
4 by them as civilians in the employ of the United States
5 Government, on the basis provided in subsection (a).

6 “(c) Each State shall be entitled to receive from the
7 Federal unemployment account for each quarter, begin-
8 ning with the first quarter commencing after enactment of
9 this Act, an amount equal to the total of all payments of
10 unemployment compensation made by such State during
11 such quarter, pursuant to an agreement under this section.

12 “(d) In the event that any State does not agree to
13 make such payments to such persons, the Civil Service
14 Commission is hereby authorized and directed to make such
15 payments.

16 “(e) All departments, agencies, and instrumentalities of
17 the United States are directed to make available to the
18 appropriate State agency such information with reference to
19 compensation of persons in the employ of the United States
20 Government as may be necessary to determine the benefits
21 payable under this title.

22 “(f) In case of an agreement under this section that a
23 State agency will make payments as agent of the United
24 States, there shall be paid in advance to the State such sum
25 as the Board estimates the State will be entitled to receive

1 for each quarter under such section; reduced or increased, as
2 the case may be, by any sum by which it finds that its esti-
3 mate for any prior quarter was greater or less than the
4 amount which should have been paid to the State. All money
5 paid to a State under this subsection shall be used solely for
6 the payment of unemployment compensation. Any money
7 so paid to a State which is not used for the purpose for which
8 it was paid shall, upon termination of the agreement, be
9 returned to the Treasury.

10 “(g) Determinations of entitlement to unemployment
11 compensation made by a State agency under an agreement
12 that such agency will act as agent of the United States
13 under this section shall be subject to review in the same man-
14 ner and to the same extent as determinations under the State
15 unemployment compensation law, and only in such manner
16 and to such extent. Such an agreement may require any
17 officer or employee of the State disbursing funds pursuant
18 to the agreement or otherwise participating in its perform-
19 ance to give a surety bond to the United States in such amount
20 as the Board may deem necessary, and may provide for pay-
21 ment of the cost of such bond from appropriations for carry-
22 ing out the purpose of this Act.

23 “(h) The Board shall from time to time certify to the
24 Secretary of the Treasury for payment to each State the
25 sums payable to it under this section. The Secretary of the

1 Treasury, through the Fiscal Service of the Treasury De-
2 partment, and prior to audit or settlement by the General
3 Accounting Office, shall make payment in accordance with
4 such certification.”

5 SEC. 404. This Act, and the amendments to the Social
6 Security Act made thereby, shall cease to be effective at the
7 end of the second full calendar year after the termination
8 of hostilities in the present war as declared by Presidential
9 proclamation or concurrent resolution of the Congress, except
10 that the obligation of the State agencies to repay advances
11 made from the Federal unemployment account shall remain
12 effective until such advances are repaid. Any amounts so
13 repaid after the end of such year, and any amounts in the
14 Federal unemployment account at the end of such year,
15 shall be covered into the general fund of the Treasury.

16 TITLE V—PUBLIC WORKS

17 SEC. 501. (a) In order to encourage States and other
18 non-Federal public agencies to make advance provision for
19 the construction of public works (not including housing),
20 the Federal Works Administrator is hereby authorized to
21 make, from funds appropriated for that purpose, loans or
22 advances to the States and their agencies and political sub-
23 divisions (hereinafter referred to as “public agencies”) to
24 aid in financing the cost of architectural, engineering, and

1 economic investigations and studies, surveys, designs, plans,
2 working drawings, specifications, procedures, and other
3 action preliminary to the construction of such public works:

4 *Provided*, That the making of loans or advances hereunder
5 shall not in any way commit the Congress to appropriate
6 funds to undertake any projects so planned.

7 (b) Funds appropriated for the making of loans or ad-
8 vances hereunder shall be allotted by the Federal Works
9 Administrator among the several States in the following
10 proportion: 90 per centum in the proportion which the
11 population of each State bears to the total population of
12 all the States, as shown by the latest available Federal
13 census, and 10 per centum according to his discretion:
14 *Provided*, That the allotments to any State shall aggregate
15 not less than one-half of 1 per centum of the total funds
16 available for allotment hereunder: *Provided further*, That
17 no loans or advances shall be made with respect to any
18 individual project unless it conforms to an over-all local
19 or regional plan approved by competent local or regional
20 authority.

21 (c) Advances under this section to any public agency
22 shall be repaid by such agency if and when the construction
23 of the public works so planned is undertaken. Any sums

1 so repaid shall be covered into the Treasury as miscellaneous
2 receipts.

3 (d) The Federal Works Administrator is authorized
4 to prescribe rules and regulations to carry out the purposes
5 of this section.

6 (e) As used in this section, the term "State" shall
7 include the District of Columbia.

8 SEC. 502. (a) The Secretary of Labor shall make a
9 full study and investigation as to—

10 (1) the extent to which the adoption of annual
11 wage systems would contribute to full employment and
12 rising standards of living;

13 (2) the factors in favor of and against the adoption
14 of various types of annual wage systems in various in-
15 dustries;

16 (3) present and past use of annual wage systems
17 by particular industries or individual employers;

18 (4) other wage systems which might contribute to
19 full employment and rising standards of living; and

20 (5) possible means to be used by the Government
21 through tax advantages or otherwise in promoting adop-
22 tion of annual wage systems or other wage systems de-
23 signed to bring about full employment and rising stand-
24 ards of living.

(b) The Secretary of Labor shall submit to the President, the Senate, and the House of Representatives, within six months after the enactment of this Act, and at such later dates as the Secretary may deem desirable, reports on the results of the studies called for in this section.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. When used in this Act—

(a) The term “Government agency” means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

(b) The term “contracting agency” means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

SEC. 602. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this Act.

SEC. 603. The provisions of this Act shall become effective immediately, unless otherwise provided in the Act, and

1 unless otherwise provided shall be terminated at the end of
2 twenty-four months after the termination of hostilities.

3 SEC. 604. If any provision of this Act, or the applica-
4 tion of such provision to any person or circumstance, is held
5 invalid, the remainder of this Act or the application of such
6 provision to persons or circumstances, other than those as
7 to which it is held invalid, shall not be affected thereby.

8 SEC. 605. When the Director first appointed under
9 section 102 has taken office, the Office of War Mobilization
10 established by Executive Order Numbered 9347, dated May
11 27, 1943, shall cease to exist; and such records and prop-
12 erty of the Office of War Mobilization, and such unexpended
13 balances of appropriations or other funds available for its
14 use, as the President shall determine shall be transferred to
15 the Office of Mobilization and Adjustment.

16 SEC. 606. All orders, policies, procedures, or directives
17 prescribed by the Director of War Mobilization, in effect
18 upon the effective date of this Act, and not inconsistent with
19 this Act, shall remain in full force and effect unless and
20 until superseded by the Director in accordance with this
21 Act, or by operation of law.

22 SEC. 607. No alien shall be employed in any capacity
23 in the administration of this Act unless he has served honor-
24 ably in the armed forces of the United States.

- 1 SEC. 608. This Act may be cited as the “War Mobili-
2 zation and Reconversion Act of 1944”.

Passed the Senate August 11 (legislative day, August
8), 1944.

Attest:

EDWIN A. HALSEY,

Secretary.



AN ACT

To amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

August 14, 1944

Referred to the Committee on Ways and Means

WAR MOBILIZATION AND RECONVERSION ACT OF 1944

AUGUST 24, 1944.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. DOUGHTON, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany S. 2051]

The Committee on Ways and Means, to whom was referred the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause of the Senate bill and inserts in lieu of the matter so stricken out the following:

TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

SECTION 101. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the "Director"). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of two years.

(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion and shall exercise their functions subject to the general supervision of the Director:

(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

(2) Surplus Property Administration, created by the Surplus Property Act of 1944.

Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to other agencies not specifically placed within his office.

(c) In addition to any powers which the President is authorized to and does delegate to the Director for the purpose of more effectively coordinating the mobilization of the Nation for war, the Director shall, subject to the direction of the President—

(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace;

(2) coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace. Nothing contained in this section shall be construed as authorizing any activities to carry out any plans formulated under this section which are not within the scope of the powers possessed by the President or the executive agencies under provisions of law other than this section;

(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

(4) promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between such executive agencies in the development and administration of such plans;

(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of executive agencies which exist under Executive order only, and for the relaxation or removal of emergency war controls;

(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning the problems arising out of the transition from war to peace; and

(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this Act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available for this purpose by Congress, employ and fix the compensation of such Deputy Directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other executive agencies; and for that purpose he is authorized to delegate and provide for the redelegation of the powers and duties vested in him. The Director may require such reports and information from other executive agencies as he deems necessary to enable him to carry out his functions under this Act, and each executive agency shall furnish any information and reports so required.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

SEC. 201. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war.

SEC. 202. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for non-war use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as

he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

(b) the executive agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for non-war use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for non-war use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

(c) the Director shall—

(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

(2) establish policies providing for full and prompt consultation between the executive agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for non-war use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for non-war use is authorized, on a restricted basis, by any executive agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for non-war use from so participating in such production.

(b) Whenever such executive agency allocates available materials for the production of any item or group of items for non-war use, it shall make available a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation and shall be fair and equitable.

(c) In allocating the materials thus set aside among such small plants, such executive agency shall establish criteria, standards, quotas, schedules, or other conditioning factors after consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such executive agency shall allocate such materials directly to such small plants and shall, to the fullest extent practicable, provide for making such allocations through local offices easily accessible to such small plants. For the purposes of this title, a small plant means any small business concern engaged primarily in production or manufacturing either employing two hundred and fifty wage earners or less, or coming within such other categories as may be established by the head of such executive agency in consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such other categories shall be defined by taking into consideration the comparative sizes of establishments in a particular industry as reflected by sales volumes, quantities of materials consumed, capital investments, or by other criteria which are reasonably attributable to small plants rather than medium- or large-size plants.

SEC. 204. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace. The Attorney General shall submit to the Congress within ninety days after the approval of this Act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

TITLE III—ADVANCES TO STATE UNEMPLOYMENT FUNDS

SEC. 301. (a) Section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: "or deposited pursuant to appropriations to the Federal unemployment account".

(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words "a separate book account for each State agency" a comma and the following: "the Federal unemployment account,".

(c) Section 904 of the Social Security Act, as amended, is further amended by adding, at the end of the section, the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers from the Federal unemployment account to the account of any State in the Unemployment Trust Fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this Act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of title XII. Any amounts in the Federal unemployment account on the termination date prescribed in section 503 of the War Mobilization and Reconversion Act, and any amounts repaid to such account after such date, shall be covered into the general fund of the Treasury. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this Act, for the administration of that title by the Board, and for the administration of title IX of this Act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this Act, the sum of \$40,561,886.48 which was authorized to be appropriated by the Act of August 24, 1937 (50 Stat. 754)."

SEC. 302. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 1201. (a) In the event that the balance in a State's account in the Unemployment Trust Fund on June 30, 1945, or on the last day in any ensuing calendar quarter which ends prior to the termination date prescribed in section 503 of the War Mobilization and Reconversion Act, does not exceed a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the Unemployment Trust Fund an amount equal to the unemployment compensation paid out by it in the calendar quarter ending on such day, which is in excess of 2.7 per centum of the total remuneration, paid during such quarter, subject to the State unemployment compensation law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms,

and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment fund of such State and shall be repaid to the Federal unemployment account from the unemployment fund of that State to the extent that the balance in the State's account in the Unemployment Trust Fund, at the end of any calendar quarter, exceeds a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two preceding calendar years preceding such day in which such deposits were higher. The Secretary of the Treasury shall, after the end of each calendar quarter, transfer from the unemployment account of each State in the Unemployment Trust Fund to the Federal unemployment account the amount required to be repaid from the unemployment fund of such State at the end of such quarter under this subsection."

TITLE IV—PUBLIC WORKS

SEC. 401. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 per centum in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 per centum according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 per centum of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all local or regional plan approved by competent local or regional authority.

(c) Loans or advances under this section to any public agency shall bear interest at the rate of 2½ per centum per annum and shall be repaid by such agency within five years from the making of the loan or advance or, if the construction of the public works so planned is undertaken prior to the end of such five years, shall be repaid when such construction is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) As used in this section, the term "State" shall include the District of Columbia.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. When used in this Act—

(a) The term "executive agency" means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

(b) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

SEC. 502. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this Act.

SEC. 503. The provisions of this Act shall terminate at the end of one year after the termination of hostilities in the present war, as proclaimed by the President, or at such earlier time as the Senate shall have passed a Senate resolution, and the House of Representatives shall have passed a House resolution, declaring that no emergency exists which requires the further continuance of the provisions of this Act; and the date on which the provisions of this Act terminate shall also be the termination date for the purposes of sections 904 (h) and 1201 (a) of the Social Security Act, as amended.

SEC. 504. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 505. When the Director first appointed under section 101 has taken office, the Office of War Mobilization established by Executive Order Numbered 9347, dated May 27, 1943, and the agencies within such Office created by subsequent Executive orders, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Office of War Mobilization and Reconversion.

SEC. 506. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by operation of law.

SEC. 507. This Act may be cited as the "War Mobilization and Reconversion Act of 1944".

GENERAL STATEMENT

The progress of the war in Europe is now such that we can clearly hope for a complete and early victory over our enemies in that theater of operations. When that time comes, it is likely that a substantial portion of the manpower and matériel which is now required for the prosecution of our war effort will be released for other purposes, even though the war with Japan is still in progress. The recent cut-backs in war production on numerous items and release of materials for civilian goods are indicative of what may transpire on a much larger scale when the Allied forces achieve victory in Europe.

Alleviation of the temporary dislocations which will result from additional cut-backs in war production and availability of additional materials and manpower for civilian production, as well as the re-establishment of a healthy and expanding peacetime economy, after complete victory is won in all theaters, will require the best efforts of all our people. The achievement of such a goal must, of course, be the primary responsibility of the various segments of our economy—agriculture, labor, and industry—and of each individual citizen. The coordination of their efforts so as to make this achievement orderly, rapid, and permanent is a responsibility which should be undertaken by the Government. The bill herewith reported is designed to provide machinery to make that coordination possible.

The committee proposes to strike out everything after the enacting clause of the Senate bill and insert a substitute therefor as a committee amendment. The committee amendment is divided into five titles, as follows:

Title I, which establishes an Office of War Mobilization and Reconversion.

Title II, which relates to industrial demobilization and reconversion, and problems connected therewith.

Title III, which relates to advances to States to protect their unemployment compensation funds during the transition period.

Title IV, which relates to planning for public works.

Title V, which contains miscellaneous provisions.

Titles I and II of the committee amendment follow closely most of the recommendations of the House Committee on Post-war Economic Policy and Planning in House Report No. 1759. The Committee on Ways and Means concurs generally in the views expressed by the special committee in the following excerpt taken from that report, relating to the matters covered by titles I and II:

[Excerpt from H. Rept. No. 1759, 78th Cong.]

OVER-ALL ADMINISTRATION

The committee, after its study of the administrative agencies and the testimony of administration executives and others, is convinced of the immediate need for bringing the whole transition program under one central agency. There must be one authority which can coordinate the work of the agencies engaged in these problems of reconversion—settlement of contracts, disposal of surplus property, policies relating to curtailment of war production and resumption of civilian production, facilitating reemployment, continuation or relaxation of war-time controls and many other problems. This was one of the principal recommendations of the Baruch-Hancock report.

The committee believes that immediate action should be taken at this time in setting up an Office of War Mobilization and Reconversion which would take over the functions of the present Office of War Mobilization which was set up by Executive order. This action would not affect the present activities in connection with the prosecution of the war, but it would greatly facilitate the prompt adjustment of policies as the transition develops from war to peace.

* * * * *

DIRECTOR OF WAR MOBILIZATION AND RECONVERSION

The Office of War Mobilization and Reconversion should be headed by a Director to be appointed by the President by and with the consent of the Senate.

The Director would be charged with the formulation of over-all policies necessary to bring about the transition from war to peace and with the responsibility of seeing that these policies are carried out by the agencies. It is expected that this office would be concerned with policies rather than operational functions.

Within this office there would be placed the Office of Contract Settlement, which was created by the Contract Settlement Act of 1944; the Surplus War Property Administration, now acting under Executive order, and any Surplus Property Administration created by statute; the Retraining and Reemployment Administration, now acting under Executive order, and any administration created by statute. The committee believes that action should be taken by Congress promptly to establish these offices by statute.

It is proposed that subject to the direction of the President, the Director shall formulate plans necessary to meet the problems arising out of the transition from war to peace; issue directives to executive agencies to carry out their powers in a manner consistent with these plans and coordinate the activities of the agencies. He would recommend to Congress legislation needed to provide authority to carry out the plans. The Director would promote and assist in development of demobilization and reconversion plans for the agencies, keep the various agencies informed of the plans of other agencies, and settle any controversies which might develop between them in the development or administration of plans.

It is proposed that the Director have studies and reports made for him so that he can determine the need for simplifying and consolidating or eliminating executive agencies which have been established for war emergencies and which may no longer be needed. The Director should also have studies made so that he can determine the need for relaxation and removal of emergency war controls.

The committee recommends that a specific study be made for the submission to the President and Congress of the present functions of the various executive agencies in the field of manpower and develop a program for reorganizing and consolidating these agencies.

In carrying out his functions, it is recommended that he consult and cooperate with the State and local governments, industry, labor, and agriculture.

In order that Congress may keep in close touch with the program it is proposed that the Director submit quarterly progress reports to the President and Congress, summarizing the activities of the various agencies in the field of mobilization and post-war adjustment.

* * * * *

GENERAL POLICIES OF INDUSTRIAL DEMOBILIZATION AND RECONVERSION

* * * * *

It is proposed that the contracting agencies terminate contracts for war production when they are no longer needed for the prosecution of the war and, as far as practicable, they shall not continue contracts merely for the purpose of providing business employment.

The curtailment of war production and the termination of war contracts should be integrated with the production for other war purposes and to the greatest extent compatible with the effective prosecution of the war or the production for nonwar use.

In order to carry out this policy it is recommended that the contracting agencies continuously survey their requirements and report to the Director on the anticipated changes in requirements and anticipated curtailments in war production.

The agencies concerned with manpower, production, and materials should permit production for nonwar use whenever the production does not require materials and labor needed for war purposes or would not otherwise adversely affect war production.

Production for nonwar use should be permitted regardless of whether one or more competitors engaged in this same type of production are still engaged in war work.

The Director would establish policies to be followed by the agencies in selecting the contracts for curtailment or termination. He would establish policies providing for full and prompt consultation between agencies and the war contractors and representatives of the employees of war contractors to obtain the most effective use of nonwar production facilities and manpower released through the curtailments of war production. It is important that notice of termination of contracts and curtailment be given as far in advance as possible.

The committee feels that great care should be taken to protect the interests of the smaller plants whenever any production for nonwar use is authorized on a restricted basis; that restrictions should not prevent small plants capable of participating in the production from sharing in the program. It is thus proposed that the Government agency allocating materials for production make available a percentage of these materials for the exclusive use of small plants after giving full consideration to the claims presented by the chairman of the board of the Smaller War Plants Corporation. The agency should also consult with the Smaller War Plants Corporation in establishing standards and quotas for allocating the materials to the smaller plants.

The committee also proposes that the Attorney General make surveys to determine any factors which may tend to eliminate competition, to create or strengthen monopoly, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the transition period.

Title III of the committee amendment follows closely the provisions of sections 401 and 402 of the Senate bill, which provide for advances to the State unemployment accounts if and when they become impaired as a result of any heavy load resulting from widespread temporary unemployment during the period of transition from war to peace. Those sections of the Senate bill in turn embody the recommendations on this subject of the Senate Special Committee on Post-war Economic Policy and Planning, as contained in part V of the report of that committee, dated June 23, 1944 (Rept. No. 539), set forth below. The appendix referred to in the excerpt from the Senate report is included at the end of this report (p. 21).

[Excerpt from S. Rept. No. 539, 78th Cong.]

POST-WAR ECONOMIC POLICY AND PLANNING

This committee has held extensive hearings on the subject matter of this report. Witnesses representing business and labor organizations and agriculture were heard. The unemployment-compensation directors of 16 States appeared before the committee.

The provisions of the bills now before the Senate dealing with the subject were carefully considered.

THE UNEMPLOYMENT-COMPENSATION SYSTEM

When Congress passed the Social Security Act in 1935 it was felt that some incentive from the Federal Government was necessary in order to have unemployment-compensation systems established by all the States. That incentive took the form of a credit of as much as 2.7 percent for payments employers made under State unemployment-compensation laws against the 3-percent unemployment-compensation tax on pay rolls imposed by the Federal Unemployment Tax Act. It was also felt that differing conditions in different sections of the country made it very unwise to attempt to set up a Federal system, or to compel uniformity in the systems through Federal legislation.

The employers in each State pay taxes into the unemployment-compensation fund. The taxes from each State are segregated and constitute a fund used solely for the purpose of paying unemployment compensation within that State.

The system has been functioning in all of the States for about 8 years. There has been no serious criticism of the administration of the State laws. So far as the committee can ascertain, they have worked satisfactorily and smoothly.

THE SOLVENCY OF THE STATE FUNDS

As of May 14, 1944, the States had to their credit in the Treasury of the United States unemployment compensation funds which aggregated well in excess of \$5,000,000,000. The present funds are sufficient to pay benefits, at the prevailing averages, for the maximum durations provided by various State laws, to 60 percent of all the covered workers now employed.¹ At the present time these funds are growing at the rate of more than \$1,000,000,000 a year and if the war should continue through 1945, they would reach a total of \$7,000,000,000. There seems little likelihood of these funds being exhausted, under existing law, unless unemployment reaches an unprecedented high over a long period.

BENEFITS UNDER STATE LAWS

The various State laws provide for unemployment compensation payments of from 50 to 60 percent of regular wages, up to maximum payments ranging from \$15 to \$22 per week and for periods ranging from 14 to 24 weeks. Those benefits, both as to amount and duration, have been steadily increasing, under State enactments for the past 6 or 7 years, and there is every prospect that the trend toward improvement will continue. Furthermore, with wages at present increased by overtime payments, the average weekly benefits under unemployment compensation are rapidly approaching the maximum permitted payments in the various States. Steady employment now prevailing is also greatly increasing individual wage credits so that payments are approaching the maximum duration allowable.

By agreement the States have worked out provisions for pooling wage benefits so that a worker who moves from one State to another does not lose the benefits he has accumulated in the State of his previous residence. This makes the problem of migration of workers much less serious.

* * * * *

The evidence before the committee leaves little doubt as to the adequacy of the unemployment compensation funds to meet any probable drain on them, but because of the dislocations caused by the war, the committee feels that this adequacy cannot be left to any possible chance. The impact of worker migration, for which the States are not responsible, will not hit each with equal severity.

¹ Detailed table is attached as an appendix.

Furthermore, while as a national average maximum benefits could be paid from present funds to 60 percent of the covered workers now employed, the funds of several highly industrialized States are sufficient to pay benefits to only 38 or 39 percent of covered workers now employed. The committee, therefore, feels that it is right and proper that the Federal Government guarantee the solvency of the State unemployment funds to each State, provided those funds are distributed in strict accordance with State law, for the period of the transition.

Title IV of the committee amendment, providing for advances to non-Federal public agencies for planning for public works, follows closely section 501 of the Senate bill with the exception that such advances are to bear interest at the rate of 2½ percent per annum and are to be repaid within 5 years, or when construction is started if that is earlier. The need for such a provision is apparent. There is a large backlog of needed public works, and it is highly desirable that the plans therefor be prepared now in order that construction may be started as soon as possible after the war. If they can be started at that time, much of the expected slack in employment in the transition period can be taken up in this manner. This title does not commit the United States to extend any aid for the actual construction.

Title V of the committee amendment contains definitions, the termination date, and various formal provisions.

SENATE PROVISIONS OMITTED

The committee amendment does not contain any provision comparable to those contained in title III of the Senate bill (relating to retraining and reemployment), nor does it contain any provisions providing for unemployment compensation for Federal employees. There are also other miscellaneous provisions which are contained in the Senate bill and which have no counterpart in the committee amendment.

OMISSION OF PROVISIONS RELATING TO RETRAINING AND REEMPLOYMENT

As stated, the committee amendment does not contain any provisions relating to retraining and reemployment, except that the provisions in section 505 terminating the Office of War Mobilization will also terminate the existence of the Retraining and Reemployment Administration, which now exists within the Office of War Mobilization under Executive order. There are already in the Federal Government two agencies dealing with vocational education and training, one in the Federal Security Agency which administers the grants-in-aid to the several States for vocational training by State agencies, and the other in the Veterans' Administration which provides vocational training and rehabilitation for veterans. The committee could see no necessity for maintaining an additional agency of Government to supervise retraining of civilian personnel released from war work, even assuming that what constituted war work could be defined with any degree of precision.

With respect to reemployment, there are also at least two agencies of the Government which provide employment services; one, the United States Employment Service which maintains offices throughout the United States and works in close cooperation with the State employment offices; and the other, in the Veterans' Administration, which

provides placement services for veterans. The committee was not convinced of the necessity of maintaining an additional Federal agency to deal with reemployment.

The present Retraining and Reemployment Administration was created within the Office of War Mobilization by Executive order on February 24, 1944. Its functions under the Executive order were to supervise and coordinate the activities of all Government agencies relating to the retraining and reemployment of veterans and persons released from war work, and to develop programs for such retraining and reemployment and for the adequate care of veterans. Since the Administration was established, the Congress has enacted the Servicemen's Readjustment Act of 1944, popularly known as the G. I. bill of rights. That act provides for retraining and reemployment services for veterans, to be administered by the Administrator of Veterans' Affairs.

This bill as passed by the Senate provided that the function of the Veterans' Administration in this field should not be subject to the control of the Retraining and Reemployment Administration. Your committee feels that this was entirely proper as it believes that the responsibility for rendering these services for veterans should be centralized in the Veterans' Administration. However, the committee does not believe it necessary to establish or maintain a separate agency to coordinate the activities of other Government agencies relating to retraining and reemployment of civilians, as the Director of War Mobilization and Reconversion will have authority under the general provisions of the bill to coordinate these activities of Government agencies as well as the other activities of such agencies.

The Senate bill authorized the Administrator of the Retraining and Reemployment Administration, created under the Senate bill, to provide transportation home or to new work for civilian employees who had been employed in activities essential to the war effort. The payment to any one worker for such transportation was limited to \$200. The committee was of the opinion that the determination of who had been employed in an activity essential to the war effort and hence eligible to the transportation benefits provided would be an impossible task. Furthermore, it is apparent that the cost of such a program, although unpredictable as to precise amounts, would be of such magnitude that justification therefor is impossible.

OMISSION OF PROVISIONS FOR UNEMPLOYMENT COMPENSATION TO FEDERAL EMPLOYEES

As stated, the committee amendment does not contain provisions (contained in the Senate bill) providing for unemployment compensation to Federal employees. The question of whether such benefits should be extended to Federal employees is one having many ramifications and difficulties. A majority of the committee were of the opinion that Federal employees should not be granted unemployment compensation until the provisions of the Federal Unemployment Tax Act had been broadened to cover, under the existing system, employees, such as merchant seamen, who are not now covered. The effect of granting unemployment compensation to Federal employees would be to extend these benefits to seamen, for example, employed by the Federal Government, while at the same time in effect denying similar

benefits to seamen employed by private operators. The same situation would exist with respect to other categories of employment, resulting in gross discrimination. Inasmuch as the bill originated in the Senate, the general question of extending the coverage of the Federal Unemployment Tax Act cannot be considered in connection with this bill, because any measure extending coverage under that Act would be a bill relating to the raising of revenues, which, under the Constitution, can originate only in the House of Representatives. Thus, if unemployment benefits were extended to Federal employees under this bill, the discrimination would be inevitable.

Consideration was given to the question of whether or not only the Federal industrial employees—i. e., those performing work in arsenals, navy yards, munitions depots, etc., similar to that performed in private industry—should be provided with unemployment benefits. Although the failure to make such provision leaves the Federal employees performing such work without benefits available to persons performing similar work in private industry, it is apparent that this group of Federal employees has during the war received relatively higher compensation than many other groups of Federal employees. For this reason it is doubtful if this group should be singled out for benefits denied to other groups of Federal employees. Moreover, difficulties arose in devising means of describing this group of employees without at the same time including some employees in permanent positions in permanent establishments.

Consideration was also given to making a distinction between Federal employees who should, and those who should not, be entitled to unemployment compensation, on the basis of the amount of their wages or salaries, but upon examination the desirability of such a policy seemed questionable.

Because of the many ramifications of this problem, the committee determined to omit from this bill the provisions granting unemployment compensation to Federal employees, and to leave the whole subject for possible future consideration in a bill originating in the House relating to the matter of coverage of the Federal Unemployment Tax Act.

OMISSION OF PROVISIONS RELATING TO ADVISORY BOARD

The committee amendment does not establish a statutory advisory board to advise and consult with the Director of War Mobilization and Reconversion. The Senate bill provided for an advisory board of 12 members, 3 to represent industry, 3 to represent agriculture, 3 to represent labor, and 3 to represent the public. The House Special Committee on Post-war Economic Policy and Planning recommended the creation of a similar advisory board.

The committee amendment, in section 101 (c) (7), directs the Director to consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local. It is obvious that the task of the Director will be of such magnitude that he will, even in the absence of a statutory direction, seek out the best advice obtainable from all groups.

OMISSION OF PROVISIONS RELATING TO APPEAL BOARD

The committee amendment does not establish an appeal board in the Office of War Mobilization and Reconversion. The Senate bill provided for an appeal board of three members, to receive and hear complaints concerning allocation of materials for nonwar production, and make recommendations to the Director. The Director was required to make allocation of such material as would be necessary to prevent substantial hardship to persons needing such materials for their business operations or to their employees or consumers. The committee felt that such a provision was unworkable. The Director of War Mobilization, as well as the War Production Board, indicated that such a provision would make it extremely difficult, if not impossible, to effectively administer any system for allocating scarce materials.

EXPLANATION OF THE BILL BY SECTIONS

TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

Section 101: This section establishes the Office of War Mobilization and Reconversion, which is to be headed by a Director of War Mobilization and Reconversion (referred to in the bill as the "Director"), who is to be appointed for a term of 2 years by the President, by and with the advice and consent of the Senate, and is to receive a salary at the rate of \$15,000 a year. In addition to the immediate staff required by the Director to perform the functions vested directly in him, the following agencies are placed within the Office of War Mobilization and Reconversion and will exercise their functions subject to the general supervision of the Director: (1) the Office of Contract Settlement, created by the Contract Settlement Act of 1944, and (2) the Surplus Property Administration, which will be created by the Surplus Property bill now under consideration.

The Office of War Mobilization and Reconversion created by the bill is comparable to the Office of War Mobilization which now exists under an Executive order, and will supersede that office. It is contemplated that the Director of the new office will continue to exercise the functions now exercised by the present Director of War Mobilization with respect to coordinating the mobilization of the Nation for war and that he will perform similar functions during the reconversion period. The bill does not contain any detailed or specific provisions relating to the Director's functions concerning mobilization for war, but permits these functions to continue to depend as they do at the present time upon the delegation of powers from the President. With respect to his functions concerning reconversion, the bill provides that the Director shall, subject to the direction of the President—

- (1) Formulate plans to meet problems arising out of the transition from war to peace in order to achieve the objectives of this act;

- (2) Coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace;

(3) Recommend to the Congress such legislation as is necessary to carry out plans developed;

(4) Promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures for informing each executive agency of such plans and proposals; and settle controversies arising between such executive agencies in the development and administration of such plans;

(5) Cause studies and reports to be made by the various executive agencies in order to determine need for simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination or establishment by law of Executive order agencies, and for the relaxation or removal of emergency war controls;

(6) Institute a specific study for submission to the President and the Congress of the present functions of the various executive agencies in the field of manpower and develop a program for their reorganization and consolidation;

(7) Consult and cooperate with State and local governments, and national and local industry, labor, agriculture, and other groups, concerning methods of achieving the objectives of the act; and

(8) Submit to the President, the Senate, and the House of Representatives quarterly reports on the activities of the Office of War Mobilization and Reconversion.

The Director is authorized to employ necessary personnel and purchase necessary supplies and services within the funds made available. Except for Deputy Directors, personnel are to be employed subject to the civil-service laws. He is directed, however, to perform his duties through the personnel and facilities of existing agencies, to the extent that is practicable. He may require information and such reports as he deems necessary from other Government agencies.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

Section 201 provides that each contracting agency shall terminate prime contracts for war production whenever in its opinion performance under the contracts will not be needed for the prosecution of the war. Performance under such contracts is not to be continued merely for the purpose of providing business and employment or for any purposes other than the prosecution of the war.

Section 202 directs that curtailment of war production or terminations of war contracts shall be integrated with the expansion, resumption, or initiation of production for other war purposes, and also, to the greatest extent compatible with the prosecution of the war, of production for nonwar use. To effectuate this policy:

(a) The contracting agencies are to continuously survey their product and material requirements and report to the Director so that he may determine current and anticipated changes in requirements and on all anticipated curtailments of war production or termination of war contracts;

(b) Government agencies exercising control over manpower, production, or materials, by this section, are directed to permit business concerns to expand, resume, or initiate production for nonwar use

whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar purposes is to be permitted, regardless of whether one or more competitors, normally engaged in the same type of production, are still engaged in performance under any contract needed for war purposes.

The Director is empowered to establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination; and establish policies providing for full and prompt consultation between Government agencies, war contractors, and representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

Section 203 (a) provides that, whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by any executive agency having control of manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant from expanding, resuming, or initiating production for nonwar use.

Section 203 (b) provides that, whenever such executive agency allocates available materials for production for nonwar use, it shall make available a percentage of such material for exclusive use by small plants for such production. What such percentage is to be, is to be determined by the head of the agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation. The percentage which is to be so made available is required to be fair and equitable.

Section 203 (c) directs the executive agency, in allocating the materials thus set aside among small plants, to establish criteria, standards, quotas, schedules, or other conditioning factors after consulting with the chairman of the board of directors of the Smaller War Plants Corporation. The allocation of such material is to be made directly to such small plants, and the executive agency, to the fullest extent practicable, is to provide for making such allocations through local offices easily accessible to such small plants. For the purposes of title II of the committee amendment, a small plant is defined as any small business concern engaged primarily in production or manufacturing, and having 250 or less wage earners, or a small business concern so engaged which comes within such other categories as may be established by the head of the executive agency in consultation with the chairman of the board of directors of the Smaller War Plants Corporation. The other categories are to be defined by taking into consideration the comparative sizes of the establishments in a particular industry as reflected by sales volumes, quantities of materials consumed, capital investments, or by other criteria which are reasonably attributable to small plants rather than medium or large-size plants.

Section 204 directs the Attorney General to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, or otherwise promote undue

concentration of economic power in the course of war mobilization and during the period of transition from war to peace. He is directed to submit to Congress reports of the results of his surveys, together with recommendations for any legislation which he deems necessary or desirable.

TITLE III—ADVANCES TO STATE UNEMPLOYMENT FUNDS

Section 301 establishes in the unemployment trust fund a separate account to be known as the "Federal unemployment account". There is authorized to be appropriated to this account—

(1) A sum equal to the excess of taxes collected prior to July 1, 1943, through the Federal unemployment tax over the total unemployment administrative expenditures made prior to July 1, 1943;

(2) For the fiscal year of 1945, and for each fiscal year thereafter, a sum equal to the excess of the taxes collected under the Federal Unemployment Tax Act in the preceding fiscal year, over the unemployment administrative expenditures made in such year; and

(3) For the fiscal year 1945, and thereafter such further sums, if any, as may be necessary to make advances to the State accounts, as provided in section 302 of the committee amendment.

Advances from the Federal unemployment account are to terminate at the end of 1 year after the termination of hostilities in the present war, as proclaimed by the President, or at such earlier time as the Senate shall have passed a Senate resolution and the House a House resolution, declaring that no emergency exists which requires the further continuance of the bill. At that time any amounts in the account are to be covered into the general fund of the Treasury and any amounts repaid to the account after that date are to be covered into the general fund of the Treasury.

Section 302 amends the Social Security Act by adding at the end thereof a new title. The new title, which becomes title XII of that act, provides that, if on June 30, 1945, or on the last day of any ensuing calendar quarter which ends prior to the termination date of the bill, the balance in a State's account in the unemployment trust fund is less than 1 year's contributions under the State unemployment compensation law, the State is entitled to have transferred to its account from the Federal unemployment account an amount equal to the unemployment compensation paid out by it in the calendar quarter ending on such day, which is greater than 2.7 percent of the wages paid during that quarter which were subject to the State unemployment compensation law. The Social Security Board, upon application of a State unemployment agency, is to make the findings as to whether the conditions under which the transfer of funds is authorized have been met. Adjustment is to be made in the amount transferred to the extent that amounts transferred for any prior quarter were greater or less than those to which the State was entitled.

Amounts transferred to the account of any State from the Federal unemployment account are to be treated as an advance without interest and are to be repaid to the Federal unemployment account from the unemployment account of the State when and to the extent that

the balance in the State's account at the end of any quarter is greater than 1 year's contributions under the State unemployment compensation law. In the case of advances and repayments under this section, the year's contributions which are used for determining when advances and repayments are to be made are the contributions deposited by the State in the unemployment trust fund during that one of the two preceding calendar years in which such deposits were higher.

TITLE IV—PUBLIC WORKS

Section 401 authorizes the Federal Works Administrator to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other similar matters which are necessary preliminaries to construction of public works. The purpose of making such loans or advances is to encourage States and other non-Federal public agencies to make advance provision for the construction of public works, in order that such construction may be started as soon as possible when manpower and materials are available. The prompt construction of public works will do much to reduce the extent of such unemployment as may occur during the period of transition from war to peace.

The section specifically provides that the making of loans or advances under its provisions will not in any way commit the Congress to appropriate funds to undertake any of the projects planned. The funds appropriated are to be allocated among the several States in the following proportion: 90 percent in the proportion which the population of each State bears to the total populations of all the States, and 10 percent according to the discretion of the Federal Works Administrator; except that the allotment to any State will be not less than one-half of 1 percent of the total fund available for allotment.

Loans and advances under the section will bear interest at the rate of 2½ percent a year and are required to be repaid within 5 years, or when the construction of the public works is undertaken if that is earlier.

The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the provisions of this section.

The section defines the term "State" so as to include the District of Columbia.

TITLE V—MISCELLANEOUS PROVISIONS

Section 501 defines the terms "executive agency" and "contracting agency" for the purposes of the bill.

Section 502 authorizes the appropriation of such sums as may be necessary or appropriate to carry out the purposes of the act.

Section 503 provides that the provisions of the act shall terminate at the end of 1 year after the termination of hostilities in the present war, as proclaimed by the President, or at such earlier time as the Senate shall have passed a Senate resolution and the House shall have passed a House resolution declaring that no emergency exists

which requires the further continuance of the provisions of the act.

Section 504 contains the usual separability provision.

Section 505 provides that, when the Director of War Mobilization and Reconversion first appointed under the act has taken office, the Office of War Mobilization established by Executive order of May 27, 1943, and the agencies within such office created by subsequent Executive orders, shall cease to exist. The agencies whose existence is thus terminated will include the Surplus War Property Administration, created by Executive order dated February 19, 1944, and the Retraining and Reemployment Administration, created by Executive order dated February 24, 1944. The Surplus War Property Administration will be replaced by the Surplus Property Agency created under the surplus-property bill now being considered by the Congress. As indicated earlier in this report, the committee does not think it necessary to continue the Retraining and Reemployment Administration. This section provides that such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the new Office of War Mobilization and Reconversion which is created under the bill.

Section 506 contains a saving provision for orders, policies, procedures, and directives prescribed by the Director of War Mobilization, which are in effect upon the effective date of the act and are not inconsistent with the provisions of the act.

Section 507 contains a short title for the act.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as passed the Senate, are shown as follows (new matter is printed in *italic*, existing law in which no change is proposed is shown in *roman*):

SOCIAL SECURITY ACT, AS AMENDED

SEC. 904. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the "unemployment trust fund", hereinafter in this title called the "fund". The Secretary of the Treasury is authorized and directed to receive and hold in the fund all moneys deposited therein by a State agency from a State unemployment fund, or by the Railroad Retirement Board to the credit of the railroad unemployment insurance account or deposited pursuant to appropriations to the Federal unemployment account. Such deposit may be made directly with the Secretary of the Treasury or with any Federal Reserve bank or member bank of the Federal Reserve System designated by him for such purpose.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as of the end of the calendar month next preceding the date of such issue, borne by all interest-bearing obligations of the United States then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Obligations other

than such special obligations may be acquired for the Fund only on such terms as to provide an investment yield not less than the yield which would be required in the case of special obligations if issued to the Fund upon the date of such acquisition.

(c) Any obligations acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(e) The fund shall be invested as a single fund, but the Secretary of the Treasury shall maintain a separate book account for each State agency, the *Federal unemployment account*, and the railroad unemployment insurance account and shall credit quarterly on March 31, June 30, September 30, and December 31, of each year, to each account, on the basis of the average daily balance of such account, a proportionate part of the earnings of the fund for the quarter ending on such date.

(f) The Secretary of the Treasury is authorized and directed to pay out of the Fund to any State agency such amount as it may duly requisition, not exceeding the amount standing to the account of such State agency at the time of such payment. The Secretary of the Treasury is authorized and directed to make such payments out of the fund as the Railroad Retirement Board may duly certify, not exceeding the amount standing to the railroad unemployment insurance account at the time of such payment.

(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers to and from the Federal unemployment account and the account of any State in the Unemployment Trust Fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this Act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of titles XII and XIII. As used in this subsection, the term "unemployment administrative expenditures" means expenditures for grants under title III of this Act, for the administration of that title by the Board, and for the administration of title IX of this Act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this Act, the sum of \$40,561,886.43 which was authorized to be appropriated by the Act of August 24, 1937 (50 Stat. 754).

* * * * *

TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

SEC. 1201. (a) In the event that the balance in the unemployment fund of a State on June 30, 1945, or on the last day in any ensuing calendar quarter, does not exceed a sum equal to the total contributions collected under the unemployment compensation law of the State during the calendar year next preceding such day, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the Unemployment Trust Fund an amount equal to the unemployment compensation paid out by it in the calendar quarter following such day, which is in excess of 2.7 per centum of the total remuneration, paid during such quarter, subject to State law.

(b) The Social Security Board is authorized and directed, on application of a State unemployment compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to

which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment compensation agency of such State and shall be repaid by such State agency to the Federal unemployment account from the unemployment fund of that State to the extent that the fund of that State, at the end of any calendar quarter, exceeds a sum equal to the total contributions collected under the unemployment compensation law of the State during the preceding calendar year.

TITLE XIII—UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

SEC. 1301. (a) Any person who shall have rendered service as a civilian in the employ of the United States Government, after September 16, 1940, shall be entitled, in accordance with the applicable provisions of the unemployment compensation law of the State in which claim for compensation is filed, to receive compensation for each week of unemployment commencing after September 30, 1944, in the same amounts, on the same terms, and subject to the same conditions, as though the unemployment compensation laws of the several States did not exclude services performed in the employ of the United States Government. Any claim for compensation under this section shall be filed in a State in which a part of the service in the employ of the United States Government was performed. As used in this section, the term "United States Government" includes any wholly owned instrumentality of the United States.

(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians in the employ of the United States Government, on the basis provided in subsection (a).

(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this Act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

(d) In the event that any State does not agree to make such payments to such persons, the Civil Service Commission is hereby authorized and directed to make such payments.

(e) All departments, agencies, and instrumentalities of the United States are directed to make available to the appropriate State agency such information with reference to compensation of persons in the employ of the United States Government as may be necessary to determine the benefits payable under this title.

(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this Act.

(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification.

The appendix from the report of the Senate Special Committee on Post-war Economic Policy and Planning (S. Rept. No. 539, 78th Cong.), referred to earlier in this report, is as follows:

APPENDIX

Data and estimates supplied by State unemployment compensation agencies (through May 25, 1944)

State	A Estimated number of covered workers currently employed, December 1943 (thousands)	B State's unemployment compensation fund balance as of May 14, 1944 (thousands)	C Law's maximum weekly benefit	D Estimated average weekly check (late 1944)	E Law's maximum duration (weeks)	F Product of average check and maximum duration (D)X(E)	G Number of workers who could be paid that amount from that fund (B) ÷ (F) (thousands)	H Percent of covered workers who could be paid those average benefits, for that maximum duration, from that fund (G) ÷ (A)
Total, 50 States..	30,435.8	\$5,285,039	-----	-----	-----	-----	18,502.2	60.7
Alabama.....	432.0	¹ 51,596	\$15	\$14	20	\$280	184.2	42.7
Alaska.....	² 35.0	6,950	16	15½	16	248	28.0	² 80.1
Arizona.....	95.0	14,440	15	14½	14	203	71.1	74.9
Arkansas.....	187.3	22,103	15	13	16	208	106.2	56.7
California.....	2,259.0	531,706	20	18½	24	444	1,197.5	53.0
Colorado.....	200.0	75,610	15	14	16	224	123.2	61.6
Connecticut.....	650.0	138,328	22	19	18	342	404.4	62.2
Delaware.....	100.0	13,099	18	16	20	320	40.9	40.9
Dist. Columbia.....	190.0	40,326	20	17	20	340	118.6	62.4
Florida.....	380.0	39,592	15	13	16	208	190.3	50.1
Georgia.....	500.0	60,353	18	15	16	240	251.4	50.3
Hawaii ³								
Idaho.....	75.0	10,883	18	15	17	255	42.6	56.9
Illinois.....	2,185.0	¹ 404,423	20	17	20	340	1,189.4	54.4
Indiana.....	874.6	142,865	18	16½	18	297	481.0	55.0
Iowa.....	288.0	45,725	15	11	15	165	277.1	96.2
Kansas.....	270.0	39,865	15	14	16	224	177.9	65.9
Kentucky.....	309.4	70,256	16	12	20	240	292.7	94.6
Louisiana.....	405.0	55,306	18	16	20	320	172.8	42.7
Maine.....	182.0	27,200	18	13	16	208	130.7	71.9
Maryland.....	560.0	97,000	20	18	23	414	234.3	41.8
Massachusetts.....	1,400.0	183,338	18	17	20	340	539.2	38.5
Michigan.....	1,571.8	233,185	20	19	20	380	613.6	39.0
Minnesota.....	453.0	62,900	20	15	16	240	262.0	57.9
Mississippi.....	200.0	17,624	15	11½	14	161	109.4	54.7
Missouri.....	747.3	124,529	18	16½	16	264	471.7	63.1
Montana.....	80.0	13,358	15	13	16	208	64.2	80.3
Nebraska.....	142.5	20,302	15	13½	16	216	93.9	65.9
Nevada.....	38.0	7,722	15	14½	18	261	29.5	77.9
New Hampshire.....	110.0	17,608	18	14	18	252	69.8	63.5
New Jersey.....	1,300.0	¹ 328,076	18	15	18	270	1,215.0	93.5
New Mexico.....	56.0	7,470	15	12	16	192	38.9	69.5
New York.....	3,906.1	723,762	18	16	20	320	2,261.7	57.9
North Carolina.....	581.0	80,100	15	10	16	160	500.6	86.2
North Dakota.....	31.0	4,062	15	12	16	192	21.1	68.2
Ohio.....	2,050.0	¹ 364,152	16	15	18	270	1,348.7	65.8
Oklahoma.....	275.0	38,134	16	14	16	224	170.2	61.9
Oregon.....	316.3	52,270	15	14½	16	232	225.3	71.2
Pennsylvania.....	2,625.0	517,418	18	16	16	256	2,021.1	77.0
Rhode Island.....	239.5	55,513	18	16½	20	330	168.2	70.2
South Carolina.....	276.0	30,300	15	12	16	192	157.8	57.1
South Dakota.....	38.1	5,520	15	12	16	192	28.7	75.4
Tennessee.....	480.0	58,259	15	12	16	192	303.4	63.2
Texas.....	1,063.9	123,696	15	12½	16	200	618.4	58.1
Utah.....	115.0	19,244	20	18½	20	370	52.0	45.2
Vermont.....	60.0	9,738	15	13	18	234	41.6	69.4
Virginia.....	450.0	52,302	13	11	16	176	297.1	66.0
Washington.....	569.0	¹ 104,452	15	14½	16	232	450.2	79.1
West Virginia.....	375.0	54,037	18	15½	16	248	217.8	58.1
Wisconsin.....	650.0	130,112	20	17½	20	350	371.7	57.2
Wyoming.....	² 58.5	6,230	20	17	16	272	22.9	² 39.2

¹ As of Apr. 30, 1944.

² Apparently based on cumulative, rather than December 1943, figures. ("Spot" figures for Wyoming: Column A, 39.4; column H, 58.1.)

³ Data not available by May 25, 1944.

SOLVENCY OF STATE UNEMPLOYMENT COMPENSATION FUNDS AS OF MAY 15, 1944

The above table, which is based on State figures and estimates, throws some light on the ability of the several State unemployment compensation funds to pay the benefits promised by the respective State laws. These figures are similar to older (June 30) data released by the Bureau of Employment Security of the Social Security Board, on November 27, 1943.

The figures shown are the latest available State estimates of this kind. They are based on:

- (a) The number of covered workers currently employed as of late December 1943;
- (b) The State unemployment funds available as of May 14, 1944;
- (c) The benefit provisions of State laws, as of May 15, 1944; and
- (d) Each State's estimate as to its probable average benefit check ("per week of total unemployment, for late 1944, assuming that many war-production workers might then be drawing benefits").

As a very rough indicator of how heavy a percentage of unemployment each State could have, and still pay its promised benefits:

- (1) The State's estimated average weekly check was first multiplied by its maximum duration, to arrive at a rough (possible) total amount of benefits per worker, which might have to be paid to an individual claimant.
- (2) Assuming that such a total amount were in fact paid out to each unemployed claimant, then: To what percent of all covered workers could that much be paid before exhausting the State's fund?
- (3) To answer that question, the fund's May 14, 1944, balance was divided by the above total amount "per worker," thereby showing to how many workers the fund (as of that date) could pay that amount.
- (4) The resulting number of workers was stated as a percentage of all covered workers, (currently employed as of late December 1943).

So the last column of figures roughly suggests how heavy a percentage of unemployment each State could have, and still pay in full the benefits promised by its present law from the funds it already has on hand (as of May 14, 1944).¹

¹ (1) Two main factors tend to make these percentages (in column H) rather conservative:

- (a) Each State fund will have a considerably higher balance—than it now has—before much readjustment unemployment occurs; and
 - (b) Not all benefit claimants will receive the law's "maximum" duration.
- (2) On the other hand, the number of covered workers "currently employed as of late December 1943" is lower than the cumulative number employed within a year, and does not include all potential claimants having some benefit rights.
- (3) Please note, finally, that these figures are not "predictions," in any way, as to how much unemployment will in fact occur.

SUPPLEMENTARY VIEWS OF REPUBLICAN MEMBERS OF WAYS AND MEANS COMMITTEE

All who have given serious consideration to the post-war needs of America are generally agreed that the pressing need of the country is for a program that will speedily convert our productive enterprises from war to peace time basis. Only by doing so can we hope to avoid widespread unemployment when war spending ceases. The New Dealers realize that there is an election in the offing; also that their greatest political asset lies in assurances of widespread unemployment, together with promises that are impossible of fulfillment. They would take us back to the Work Projects Administration with its doleful doles, and that is unthinkable.

It is significant that the Roosevelt administration has had no peacetime experience with high-level employment. For 10 long years, and until the attack on Pearl Harbor, which ushered in war economy, there were never less than 10½ million people out of work, notwithstanding that the President spent \$18,000,000,000 of the taxpayers' money in a futile attempt to end the Roosevelt depression. That is a tragic experience we cannot afford to repeat. It is obvious that, with a debt of perhaps more than \$300,000,000,000, wasteful and stupid spending must stop.

With the tremendous problems that lie before us it is tragic to contemplate that the administration has no workable program for peacetime America. Perhaps this may be explained because of the quarreling and wrangling within the ranks of the planners, and the further fact that they have no confidence in their own ability to put America back to full-time work when peace comes.

We of the Republican minority fully appreciate the benefits of a sound, well-rounded social-security program, but we will not concede that federalized unemployment compensation should be inaugurated to replace productive employment by private enterprise.

We are firmly of the opinion that we must have a unified demobilization and reconversion program if post-war economic chaos is to be avoided. The bill, as it came to the Ways and Means Committee, would in our opinion have paved the way for the very evils that we must avoid.

One of the main features of the amended bill, which the committee report fully covers, is the setting up of a centralized director to coordinate the operation of the several acts the Congress has already passed to meet the need for post-war activities. The salient features of the amended bill provide for reconversion of our war industries. We of the Republican minority favor the program as formulated by our committee.

It is the view of the minority members of your committee that machinery for the coordination of the Government's part in reconversion is necessary. However, we are strongly of the opinion that this coordination must be accomplished without the granting of

additional powers to the President to further interfere with the rights of the American people through federalization of activities that now rest with the several States. Such federalization is neither necessary, desirable, nor justified. We feel that under State control such activities can be more promptly and equitably administered; also that it will obviate further expansion of costly, meddlesome, and inefficient Washington bureaucracy.

All problems should be met and solved in the order of their importance and urgency. The bill, as it came to the House, put the cart before the horse in that it laid emphasis on unemployment and placed a premium on idleness. The first big job before us is to so adjust our peacetime economy as to give free rein to the American will to develop, build, and expand. In that direction lies security, opportunity, prosperity, and contentment for our people.

ALLEN T. TREADWAY.

HAROLD KNUTSON.

DANIEL A. REED.

ROY O. WOODRUFF.

THOMAS A. JENKINS.

BERTRAND W. GEARHART.

FRANK CARLSON.

RICHARD M. SIMPSON.

CHARLES S. DEWEY.

ROBERT W. KEAN.

DISSENTING VIEWS

The undersigned members of the Ways and Means Committee respectfully submit their dissenting views relative to S. 2051, which has been favorably reported by a majority of the committee.

We regret that our considered opinion with respect to this bill is at such variance with that of a majority of our colleagues that we could not concur in the recommendation that the bill, as amended, should be reported favorably.

BILL WILL NOT PRODUCE ANY RESULTS

This bill, S. 2051, more commonly referred to as the George bill, came to our committee with the generally accepted view that it was a most conservative measure. Amendments adopted by the committee further limited its scope and, as now reported, it will in our opinion, fail to produce any of even the limited results its original sponsors intended.

The bill is called the War Mobilization and Reconversion Act of 1940. In our judgment, the bill does absolutely nothing to help either war mobilization or reconversion.

BILL EMASCULATED

The modest objectives of the bill as passed by the Senate have been so further curtailed, reduced, and emasculated that section 101 of the bill, stating the objectives of the Congress, was eliminated by the committee. In other words, the bill has no objectives that are even worth mentioning.

NO PUBLIC HEARINGS

We believe that this bill has not received the consideration it deserves. The procedure adopted in its consideration is at variance with every tradition of the Ways and Means Committee. It cannot and will not be denied that the problems of reconversion and post-war adjustment, about which the bill purports to deal, are among the most important subjects now before the American people. Despite this fact, no public hearings were held by the committee. By this statement no criticism is intended either of our distinguished chairman or our colleagues who have reported the bill. But the plain unvarnished fact is that, aside from one short informal conference with the Honorable James F. Byrnes, Director of the Office of War Mobilization, and a similar conference with Mr. Marion B. Folsom, staff director of the House Special Committee on Post-war Economic Policy and Planning, no other person was heard by the committee although the bill vitally affects employers, employees, and the general public.

S. 2051 IS A MERE SKELETON

In our opinion, it is no excuse in reporting out a bill dealing with this subject to say that the House wants a bill quickly and that the country wants action now. S. 2051, as now amended, is not a bill—it is merely a skeleton.

This is not action—it is shadow boxing which will fool no one.

We believe that an adequate bill should be written by our committee. We believe that full open hearings should be held.

The bill reported out by the committee does not really in any way constructively help in the solution of the reconversion problems.

TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

Title I of the bill merely continues by congressional action the Office of War Mobilization now headed by Mr. Justice Byrnes. This title of the bill has been so amended, however, as to attempt to strip this Office of some of the essential authority which is required to carry out its purposes. There is no real purpose in setting up such an Office unless it is given full and complete authority to coordinate effectively the activities of the agencies of Government handling the problems arising out of the transition from war to peace.

We believe that the committee amendments to this title weaken the objective of having an over-all Office of War Mobilization.

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

We believe it is essential for Congress to establish the necessary policies and programs which will insure orderly industrial demobilization and reconversion. We are of the opinion that title II, as reported, does not do this, especially in view of the fact that title III in the bill, as passed by the Senate, dealing with retraining and re-employment, has been completely eliminated from the bill by the committee, including the transportation allowances provided for in section 303 of that title of the Senate bill.

We believe that if the committee had held public hearings on the various problems covered in titles II and III of the bill, as reported by the Senate, it would have been demonstrated that some of the provisions in these two titles should be retained or amended in order to assure speedy and satisfactory readjustment to a peacetime economy.

TITLE III—UNEMPLOYMENT INSURANCE

Title III, as reported out by the committee, merely contains a token provision for advances to State unemployment-insurance funds. No provisions whatsoever dealing with unemployment insurance are included in the bill.

The provision for advances to the State unemployment insurance funds is completely inadequate. It does not assure a single unemployed individual one additional cent of benefits. In view of the fact that industry has already been taken care of in the Contract Settlement Act of 1944 and in the surplus property bill already passed by the House, it is astounding that not one single provision is included in the bill to take care of the men and women who will

become unemployed after having been patriotically engaged in making our war-production program such a great success.

The section in the Senate bill providing unemployment compensation for Federal employees has also been stricken out by the committee. This is a great injustice to the thousands of war workers in Government arsenals, navy yards, shipyards, and ammunition plants. It seems to us unfair, unjust, and unwise for Congress to be unwilling to provide unemployment protection to its own employees although it requires private employers to provide unemployment compensation to its employees. We do not see how the Congress can justify a policy whereby the Federal Government maintains a dual standard for two classes of American citizens.

There are thousands of machinists, welders, carpenters, mechanics, electricians, and other skilled craftsmen who are working as Federal employees in war plants operated by the Federal Government who will be denied unemployment compensation, should the committee recommendations prevail. If these same persons were doing the very same job for private industry they would be eligible for unemployment compensation under the existing provisions of State laws. We think that the denial of such unemployment-insurance protection to thousands of patriotic and hard-working war workers is discriminatory.

We also believe that the existing provisions of some State unemployment compensation laws are inadequate, the amount of the benefits too low, the duration of the benefits too short, and the coverage too limited.

We believe that unemployment insurance benefits should be liberalized to absorb the shock of reconversion. We believe that the cost of meeting this problem should be considered as a cost of the war and that the Federal Government should supplement the existing State laws in order to bring them up to a desirable minimum.

We believe that unemployment insurance benefits should run for at least 26 weeks. We must successfully meet the problems of the reconversion and post-war periods lest the confidence of our people in our economic system and in our Government be shaken.

TITLE IV—PUBLIC WORKS

We feel that the recommendation of a majority of the committee with respect to public works is useless and inadequate. Briefly, they propose loans or advances to the States and political subdivisions equal to the cost of the plans, with interest at 2½ percent per annum, to be repaid whenever the funds for the project are authorized or within 5 years, whichever is earlier. It is difficult to reconcile the recommendation of a majority of our committee with the constantly increasing demand that the Government get out of business and stay out of business. Were this recommendation followed, it would put the Government squarely in the banking business. We venture the suggestion, however, that any bank will loan to a State or political subdivision thereof the cost of plans at a much lower rate of interest than the amount set forth in the bill.

We believe that it is imperative that we look ahead to the future of our country. We believe that a lesson can be learned from the past.

We do not desire a revival of the Work Projects Administration. We appreciate that in its time the Work Projects Administration kept the wolf from the door of many families where the breadwinner could

not obtain employment. But it should also be realized that the Work Projects Administration was forced upon us by the fact that there were no plans to deal with unemployment.

We believe that planning for public works of a necessary and permanent character should be started immediately. We do not believe that public works are a cure-all for unemployment. But we are strongly of the opinion that if necessary public works are planned now they will be the means of employment for one to two million people when construction is actually undertaken. Failure to plan properly ahead now may mean another Work Projects Administration later.

Available information indicates that several billions of dollars of public works of a new and permanent character are now being considered. The startling fact that looms before us, however, is that for these new and permanent public works in contemplation, only 5 percent of the plans have been completed. Another Work Projects Administration is again becoming a stark reality.

We submit that our colleagues who favor the public works title as reported overlook the very important fact that what is needed is a stimulus for the States and political subdivisions to plan now. The fact that only 5 percent of contemplated plans are completed furnishes, to our way of thinking, irrefutable testimony that the vital problem of employment for our veterans and war workers is not, except in rare instances, being faced with real determination and will to solve it.

Instead of loans or advances, repayable with interest, we recommend grants to the States to the extent of 50 percent of the cost of the plans. We are convinced that this is the only sound way to stimulate and encourage public works, properly planned and of a permanent and worth-while character, and we venture the statement without fear of successful contradiction that the overwhelming opinion of those who have given serious thought and study to post-war public works concur with our views.

TITLE V—MISCELLANEOUS PROVISIONS

The committee has provided that the provisions of the bill should terminate 1 year after the termination of hostilities. As we see it, nothing will ever get started under the bill, so that it is really unnecessary to provide a termination date.

Moreover, the 1-year provision completely overlooks the prevailing opinion of most competent economists and experts that it will take at least 2 years—perhaps even somewhat longer—to make a full and complete transition to peacetime conditions.

CONCLUSION

In conclusion, we wish to repeat that we think the bill is utterly inadequate to deal with the reconversion problem.

The Congress has passed legislation protecting the rights of veterans and of business. This is only right and proper. But Congress must also protect the rights of the millions of women and men who have worked in war plants and have produced the munitions of war that are making our victory possible.

The Congress has not yet provided adequate unemployment insurance protection for the men and women who will lose their jobs when war work stops.

The Congress has not yet provided unemployment insurance protection to workers in Government arsenals and navy yards.

The Congress has not yet extended unemployment insurance to the millions of employees who are not now covered by such protection under existing State laws.

The Congress has not yet protected the old-age insurance rights of the men and women who have gone into military service.

The Congress has not yet protected the old-age insurance rights of the men and women who left private enterprise to work for the Government for the duration of the war.

These and many other problems are deserving of immediate and full attention of the committee. We believe that public hearings should have been called by the committee to consider these problems and any other related problems so that the views of the American public and of the various experts in the field could be made known to us.

We believe in the democratic procedure of full and complete public hearings.

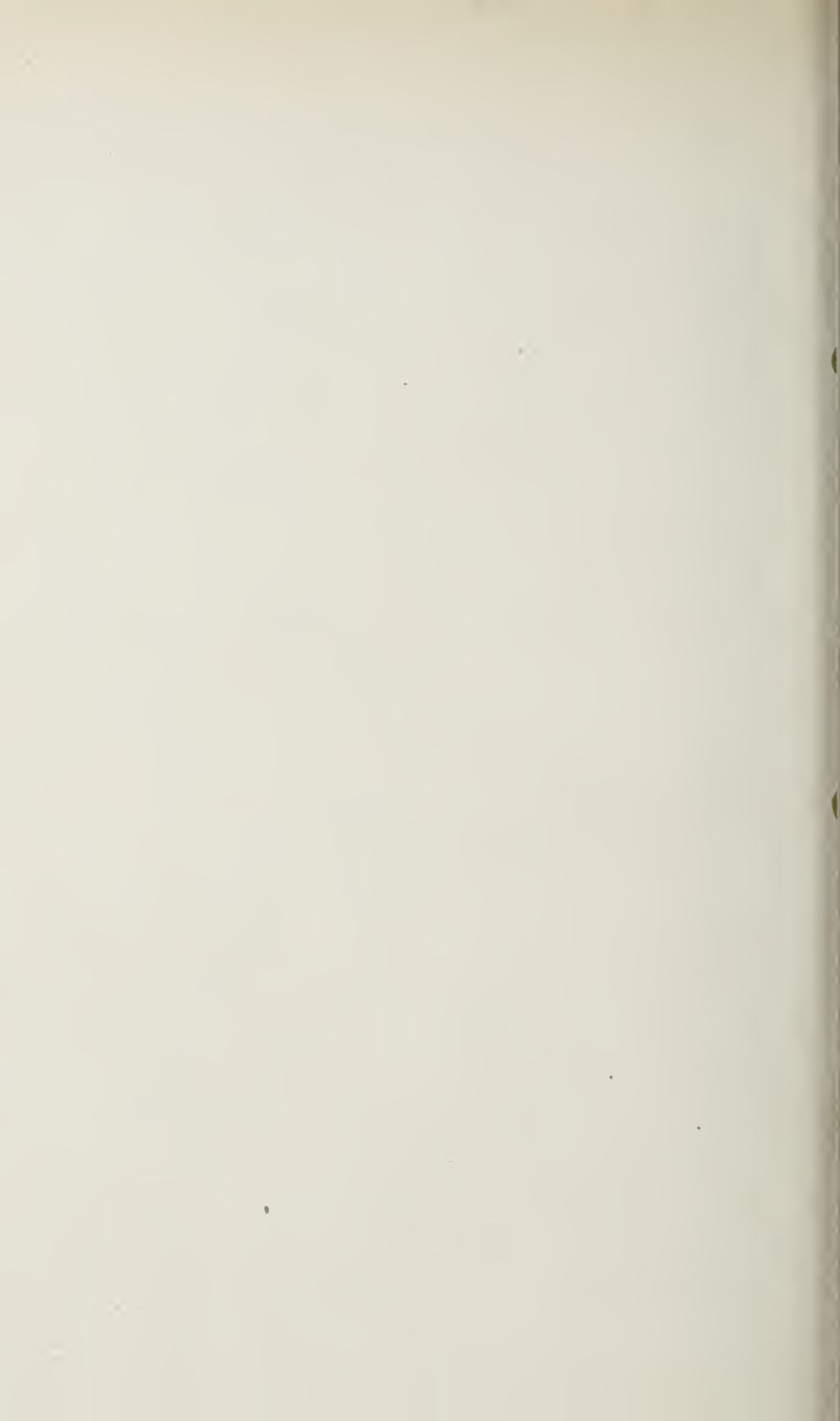
We believe that the bill does not adequately protect human rights. The men and women who make up this great Nation of ours are deserving of more considerate and liberal treatment than is provided in this bill. In fact, the bill does not provide anything at all.

We believe that the Congress is not meeting its full responsibilities by merely passing token legislation at this time. We urge that the entire matter be reconsidered and that the bill be liberalized to provide benefits that will help our economy in making the transition from war to peace.

Respectfully submitted.

JOHN D. DINGELL.
WALTER A. LYNCH.
AIME J. FORAND.
HERMAN P. EBERHARTER.





Union Calendar No. 599

78TH CONGRESS
2D SESSION

S. 2051

[Report No. 1798]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 14, 1944

Referred to the Committee on Ways and Means

AUGUST 24, 1944

Reported with an amendment, committed to the Committee of the Whole House
on the state of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend the Social Security Act, as amended, to provide a
national program for war mobilization and reconversion,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 ~~TITLE I—GENERAL PROVISIONS~~

4 ~~SEC. 101.~~ The Congress hereby declares that the objec-
5 tives of this Act are—

6 ~~(a) to facilitate maximum war production during~~
7 the war and to expedite the transition from war to peace;

8 ~~(b) to achieve full employment, rising standards~~

1 of living, and effective utilization of the Nation's re-
2 sources during the period of transition from war to peace,
3 and thereafter; and

4 ~~(e)~~ to provide for the development of unified plans
5 and projects and adequate machinery to achieve the
6 foregoing objectives.

7 SEC. 102 ~~(a)~~ There is hereby established the Office
8 of War Mobilization and Reconversion, which shall be headed
9 by the Director of War Mobilization and Reconversion
10 ~~(hereinafter called the "Director")~~. The Director shall be
11 appointed by the President, by and with the advice and
12 consent of the Senate, shall receive compensation at the rate
13 of \$15,000 per year, and shall serve for a term of two years.

14 ~~(b)~~ The following agencies shall be placed within the
15 Office of War Mobilization and Reconversion:

16 ~~(1)~~ Office of Contract Settlement, created by the Con-
17 tract Settlement Act of 1944.

18 ~~(2)~~ Surplus War Property Administration, created by
19 Executive Order Numbered 9425, and any surplus war
20 property administration hereafter created by statute.

21 ~~(3)~~ Retraining and Reemployment Administration,
22 created by Executive Order Numbered 9427, and any similar
23 office or administration created in this or any other Act.

24 Nothing in this subsection shall imply any derogation
25 of the powers of the Director under subsection ~~(e)~~ with

1 respect to other agencies not specifically placed within his
2 office.

3 ~~(c)~~ In addition to any powers which the President may
4 delegate to him for the purpose of more effectively coordinat-
5 ing the mobilization of the Nation for war, and for the pur-
6 pose of more effectively attaining the objectives of this Act,
7 the Director shall, subject to the direction of the President—

8 ~~(1)~~ formulate or have formulated such plans as are
9 necessary to meet the problems arising out of the transi-
10 tion from war to peace in such a manner as to achieve
11 the objectives of this Act;

12 ~~(2)~~ issue such directives to other executive agencies
13 as may be necessary to carry out their powers in a man-
14 ner consistent with the plans formulated under this sec-
15 tion or to coordinate the activities of other executive
16 agencies with respect to the problems arising out of the
17 transition from war to peace. Each executive agency
18 shall carry out the directives of the Director expedi-
19 tiously and, to the extent necessary to carry out such
20 directives, shall modify its operations and procedures
21 and issue regulations with respect thereto. Nothing
22 contained in this section shall be construed as authoriz-
23 ing any activities which are not within the scope of the
24 powers possessed by the President or the executive

1 agencies under existing law or future Acts of the Con-
2 gress;

3 (3) recommend to the Congress appropriate legis-
4 lation providing authority to carry out plans developed
5 under this section but not authorized under existing law;

6 (4) promote and assist in the development of de-
7 mobilization and reconversion plans by other executive
8 agencies; develop procedures whereby each executive
9 agency is kept informed of proposed demobilization and
10 reconversion plans and proposals which relate to its work
11 and which are being developed or carried out by other
12 executive agencies; and settle controversies between such
13 executive agencies in the development and administra-
14 tion of such plans;

15 (5) cause studies and reports to be made for him
16 by the various executive agencies which will enable
17 him to determine the need for the simplification, con-
18 solidation, or elimination of such executive agencies as
19 have been established for the purposes of the war emer-
20 gency, for the termination, or establishment by statute,
21 of such agencies as now exist under Executive order
22 only, and for the relaxation or removal of emergency
23 war controls;

24 (6) institute a specific study, for submission to
25 the President and the Congress, of the present functions

1 of the various executive agencies in the field of man-
2 power, and develop a program for reorganizing and
3 consolidating such agencies to the fullest extent
4 practicable;

5 (7) consult and cooperate with State and local
6 governments, industry, labor, agriculture, and other
7 groups, both national and local, concerning methods of
8 achieving the objectives of this Act; and

9 (8) submit reports to the President, the Senate,
10 and the House of Representatives on the 1st days of
11 January, April, July, and October, on the activities
12 undertaken or contemplated by him under this Act.
13 Such reports shall summarize and appraise the activities
14 of the various executive agencies in the field of demobili-
15 zation and post-war adjustment, and may include such
16 legislative proposals as he may deem necessary or
17 desirable.

18 (d) The Director shall, within the limits of funds which
19 may be made available, employ and fix the compensation
20 of such deputy directors and other officers and employees,
21 and may make such expenditures for supplies, facilities, and
22 services as may be necessary to carry out his functions and
23 the functions of the Office. All such officers and employees
24 shall be appointed in accordance with the civil-service laws
25 and their compensation fixed in accordance with the Classi-

1 fication Act of 1923, as amended, except that Deputy Di-
2 rectors and expert administrative, technical, and professional
3 personnel may be employed and their compensation fixed
4 without regard to such laws. To the fullest extent prac-
5 ticable, the Director shall perform the duties imposed upon
6 him through the facilities and personnel of other Govern-
7 ment agencies. The Director may require such reports and
8 information from other Government agencies as he deems
9 necessary to enable him to carry out his functions under this
10 Act, and each Government agency shall furnish any infor-
11 mation and reports so required.

12 SEC. 103. There is hereby created an advisory board,
13 the members of which shall be appointed by the President,
14 by and with the advice and consent of the Senate, and which
15 shall include three representatives of industry, three repre-
16 sentatives of labor, three representatives of agriculture, and
17 three public members, one of whom shall be Chairman.

18 It shall be the general function of the board to advise
19 with the Director with respect to war mobilization and re-
20 conversion and make to him such recommendations relating
21 to legislation, policies, and procedures as it may deem neces-
22 sary to achieve the objectives of this Act.

23 Members of the board shall receive a per diem allowance
24 of \$25 for each day spent in the actual performance of duty,

1 plus necessary traveling and other expenses incurred while
2 so engaged.

3 SEC. 104. (a) There is hereby established a Special
4 Joint Committee on Post-war Adjustment (hereinafter re-
5 ferred to as the "committee") to be composed of four Mem-
6 bers of the Senate (not more than two of whom shall be
7 members of the majority party) to be appointed by the
8 President of the Senate, and four Members of the House of
9 Representatives (not more than two of whom shall be mem-
10 bers of the majority party) to be appointed by the Speaker
11 of the House of Representatives. Vacancies in the member-
12 ship of the committee shall not affect the power of the re-
13 maining members to execute the functions of the committee,
14 and shall be filled in the same manner as in the case of the
15 original selection. The committee shall select a chairman
16 and a vice chairman from among its members. The com-
17 mittee is empowered to appoint and fix the compensation of
18 such experts, consultants, technicians, and clerical and steno-
19 graphic assistants as it deems necessary and advisable. The
20 committee may utilize such voluntary and uncompensated
21 services as it deems necessary, and is authorized to utilize
22 the services, information, facilities, and personnel of the de-
23 partments and agencies of the Government. The expenses
24 of the committee shall be paid one-half from the contingent

1 fund of the Senate and one-half from the contingent fund of
2 the House of Representatives upon vouchers signed by the
3 chairman.

4 ~~(b)~~ It shall be the function of the committee—

5 ~~(1)~~ to make a full and complete study and investi-
6 gation with regard to legislation on demobilization and
7 post-war adjustment in cooperation with such public and
8 private agencies and such persons as it might see fit to
9 consult;

10 ~~(2)~~ to consult with the President and the Director
11 on the need for legislation on demobilization and post-
12 war adjustment;

13 ~~(3)~~ to consult with the appropriate standing com-
14 mittees in the Senate and in the House of Representa-
15 tives on the preparation of demobilization and post-war
16 adjustment legislation, and on methods of obtaining ex-
17 peditious action on demobilization and post-war adjust-
18 ment legislation by achieving coordination among, and
19 avoiding duplication of effort between, such committees;
20 and

21 ~~(4)~~ to study and review each report submitted to
22 the Congress by the Director, and otherwise maintain
23 continuous surveillance of the operations of the Director
24 and other executive agencies under this Act.

1 TITLE II—INDUSTRIAL DEMOBILIZATION AND
2 RECONVERSION

3 SEC. 201. Any contracting agency shall terminate prime
4 contracts for war production whenever in the opinion of
5 the agency the performance under such contracts will not
6 be needed for the prosecution of the war, and shall not
7 continue performance under such contracts merely for the
8 purpose of providing business and employment, or for any
9 purposes other than the prosecution of the war, unless the
10 continuation of some or all of the work under any such
11 contract will benefit the Government or is necessary to avoid
12 substantial injury to a plant or property.

13 SEC. 202. Curtailments of war production or termi-
14 nations of war contracts shall be integrated and synchronized
15 with the expansion, resumption, or initiation of production
16 for other war purposes, and, to the greatest extent com-
17 patible with the effective prosecution of the war, of produc-
18 tion for nonwar use. To effectuate this policy—

19 (a) the contracting agencies shall continuously sur-
20 vey their product and material requirements and report
21 to the Director, in such form and detail as he may de-
22 termine, on current and anticipated changes in require-
23 ments and on all anticipated curtailments of war pro-
24 duction or terminations of war contracts;

1 (b) the Government agencies exercising control
2 over manpower, production, or materials shall permit
3 the expansion, resumption, or initiation of production
4 for nonwar use whenever such production does not
5 require materials, components, facilities, or labor needed
6 for war purposes, or will not otherwise adversely affect
7 or interfere with the production for war purposes. Such
8 production for nonwar use shall be permitted regardless
9 of whether one or more competitors normally engaged
10 in the same type of production are still engaged in the
11 performance under any contract which is needed for
12 the prosecution of the war, and shall not be made
13 dependent upon the existence of a concern or the func-
14 tioning of a concern in a given field of activity at a
15 given time;

16 (c) the Director shall—

17 (1) establish policies to be followed by the
18 contracting agencies in selecting individual con-
19 tracts or classes of contracts for curtailment, non-
20 renewal, or termination;

21 (2) establish policies providing for full consul-
22 tation between the Government agencies, war con-
23 tractors, and the representatives of the employees
24 of war contractors with regard to obtaining the most
25 effective use in other war production or in produc-

tion for non-war use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for non-war use is authorized by any Government agency having control over manpower, production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for non-war use from so participating in such production.

(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of \$8,000 per year, and shall serve for a term of two years. When any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or group of items for non-war use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity forthwith to present his views thereon at a hearing before the Board of Appeals. If, at such hearing, such person establishes to the satisfaction of the Board of

1 Appeals that as a result of such action his business operations
2 will be seriously interfered with or substantially curtailed
3 because of a shortage of any material necessary to such
4 operations, that his inability to continue business operations
5 will result in a serious unemployment problem for his em-
6 ployees, or that the interests of the consumers of the articles
7 produced or manufactured by such person will be substan-
8 tially impaired, the Board of Appeals shall make an im-
9 mediate report thereon to the Director. Thereupon the
10 Director shall allocate to such person such amounts of the
11 material with respect to which the shortage exists as in his
12 judgment will be necessary to prevent substantial hardship
13 to such person, his employees, or consumers.

14 SEC. 204. The Attorney General is directed to make
15 surveys for the purpose of determining any factors which
16 may tend to eliminate competition, create or strengthen
17 monopolies, injure small business, or otherwise promote
18 undue concentration of economic power in the course of war
19 mobilization and during the period of transition from war to
20 peace and thereafter. The Attorney General shall submit
21 to the Congress within ninety days after the approval of this
22 Act, and at such times thereafter as he deems desirable,
23 reports setting forth the results of such surveys and including
24 recommendations for such legislation as he may deem neces-
25 sary or desirable.

1 ~~TITLE III—RETRAINING AND REEMPLOYMENT~~

2 SEC. 301. There is hereby established a Retraining and
3 Reemployment Administration (hereinafter referred to as
4 the "Administration"); the functions of which, subject to
5 the general supervision of the Director of War Mobilization
6 and Reconversion, shall be exercised by a Retraining and
7 Reemployment Administrator (hereinafter in this title re-
8 ferred to as the "Administrator"); to be appointed by the
9 Director of War Mobilization and Reconversion, at a salary
10 of \$12,000 per annum.

11 SEC. 302. With the assistance of a Retraining and Re-
12 employment Policy Board, composed of a representative of
13 the Department of Labor, the Federal Security Agency, the
14 War Manpower Commission, the Selective Service System,
15 the Veterans' Administration, the Civil Service Commission,
16 the War Department, the Navy Department, and the War
17 Production Board, it shall be the function of the Adminis-
18 tration—

19 (a) to have general supervision and direction of
20 the activities of all Government agencies relating to the
21 retraining and reemployment of persons released from
22 war work, including all work directly affected by the
23 cessation of hostilities or the reduction of the war pro-
24 gram and to issue necessary regulations in connection
25 therewith. Nothing in this section shall be deemed in

1 any extent to affect, amend or modify the powers now
2 vested in the Veterans' Administration or the Adminis-
3 trator of Veterans' Affairs.

4 (b) in consultation with the Government agencies
5 concerned, to develop plans and programs relating to
6 such retraining and reemployment.

7 SEC. 303. The Administrator shall have power to pro-
8 vide transportation, including transportation of dependents
9 and household effects for civilian workers who have been
10 employed in activities essential to the war effort, from the
11 place of such employment to the location of their bona fide
12 residence within the continental United States prior to their
13 migration to war employment, or, at the election of such
14 worker, to any other location of new employment arranged
15 by the worker: *Provided*, That the cost of such transporta-
16 tion shall not exceed \$200 for any one worker, his depend-
17 ents, and household effects, and shall not exceed the amount
18 allowable for civilian employees of the several departments
19 and independent establishments of the Federal Government
20 in the Standard Government Travel Regulations.

21 SEC. 304. The War and Navy Departments shall dis-
22 charge from the armed forces of the United States the men
23 and women serving therein during the present war as rapidly
24 as the appropriate department determines that the services of
25 such persons are no longer needed for the prosecution of

1 the war or for the national defense, and shall not retain such
2 persons in the armed forces merely for the purpose of
3 preventing unemployment or awaiting opportunities for
4 employment.

5 SEC. 305. The Administrator shall confer with all exist-
6 ing Federal, State, and local agencies and officials in charge
7 of existing programs relating to vocational education, voca-
8 tional rehabilitation, training in industry, and other similar
9 programs, and secure the expansion of such programs when
10 and if necessary. If he finds that such expansion cannot be
11 secured, or can only be secured by additional Federal legis-
12 lation or assistance, he shall recommend to Congress such
13 appropriations and legislation as he considers necessary to
14 carry out the provisions of this Act.

15 SEC. 306. The Administrator shall, within the limits of
16 funds which may be made available, employ and fix the
17 compensation of such Assistant Administrators and other
18 officers and employees, and may make such expenditures for
19 supplies, facilities, and services as may be necessary to carry
20 out his functions and the functions of the Office. All such
21 officers and employees shall be appointed in accordance with
22 the civil-service laws and their compensation fixed in accord-
23 ance with the Classification Act of 1923, as amended, ex-
24 cept that Assistant Administrators and expert administrative,
25 technical, and professional personnel may be employed and

1 their compensation fixed without regard to such laws. To
2 the fullest extent practicable, the Administrator shall perform
3 the duties imposed upon him through the facilities and per-
4 sonnel of other Government agencies.

5 ~~TITLE IV—ADVANCES TO STATE UNEM-~~
6 ~~EMPLOYMENT FUNDS~~

7 SEC. 401. (a) Section 904 (a) of the Social Security
8 Act, as amended, is further amended by inserting, imme-
9 diately before the period at the end of the second sentence of
10 the subsection, a comma and the following: "or deposited pur-
11 suant to appropriations to the Federal unemployment
12 account".

13 (b) Section 904 (e) of the Social Security Act, as
14 amended, is further amended by inserting, after the words
15 "a separate book account for each State agency" a comma
16 and the following: "the Federal unemployment account,".

17 (c) Section 904 of the Social Security Act, as amended,
18 is further amended by adding, at the end of the section, the
19 following new subsections:

20 “(g) The Secretary of the Treasury is authorized and
21 directed, prior to audit or settlement by the General Ac-
22 counting Office, to make transfers to and from the Federal
23 unemployment account and the account of any State in
24 the Unemployment Trust Fund in accordance with certifica-

tion made by the Board pursuant to section 1201; not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

“(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this Act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year; and (2) such further sums, if any, as may be necessary to carry out the purposes of title XII and XIII. As used in this subsection, the term ‘unemployment administrative expenditures’ means expenditures for grants under title III of this Act, for the administration of that title by the Board, and for the administration of title IX of this Act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall

1 be deducted from the total amount of taxes collected prior
 2 to July 1, 1943, under title IX of this Act, the sum of
 3 \$40,561,886.43 which was authorized to be appropriated
 4 by the Act of August 24, 1937 (50 Stat. 754)."

5 SEC. 402. The Social Security Act, as amended, is fur-
 6 ther amended by adding at the end thereof the following
 7 new titles:

8 "TITLE XII—ADVANCES TO STATE
 9 UNEMPLOYMENT FUNDS

10 "SEC. 4201. (a) In the event that the balance in the
 11 unemployment fund of a State on June 30, 1945, or on the
 12 last day in any ensuing calendar quarter, does not exceed a
 13 sum equal to the total contributions collected under the un-
 14 employment compensation law of the State during the cal-
 15 endar year next preceding such day, the State shall be en-
 16 titled, subject to the provisions of subsections (b) and (c)
 17 hereof, to have transferred from the Federal unemployment
 18 account to its account in the Unemployment Trust Fund
 19 an amount equal to the unemployment compensation paid
 20 out by it in the calendar quarter following such day, which
 21 is in excess of 2.7 per centum of the total remuneration, paid
 22 during such quarter, subject to State law.

23 "(b) The Social Security Board is authorized and di-
 24 rected, on application of a State unemployment compensation

1 agency, to make findings as to whether the conditions for
2 the transfer of moneys provided for in subsection (a) hereof
3 have been met; and if such conditions exist, the Board
4 is directed to certify, to the Secretary of the Treasury, from
5 time to time, the amounts for transfer in order to carry
6 out the purposes of this title, reduced or increased, as the
7 case may be, by any sum by which the Board finds that
8 the amounts transferred for any prior quarter were greater
9 or less than the amounts to which the State was entitled
10 for such quarter. The application of a State agency shall
11 be made on such forms, and contain such information and
12 data, fiscal and otherwise, concerning the operation and
13 administration of the State law, as the Board deems neces-
14 sary or relevant to the performance of its duties hereunder.

15 “(c) Any amount transferred to the account of any
16 State under this section shall be treated as an advance,
17 without interest, to the unemployment compensation agency
18 of such State and shall be repaid by such State agency to
19 the Federal unemployment account from the unemployment
20 fund of that State to the extent that the fund of that State
21 at the end of any calendar quarter exceeds a sum equal to
22 the total contributions collected under the unemployment
23 compensation law of the State during the preceding calendar
24 year.”

1 UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

2 SEC. 403. (a) The Social Security Act, as amended, is
3 further amended by adding at the end thereof the following
4 new title:

5 ~~"TITLE XIII—UNEMPLOYMENT COMPENSATION~~
6 ~~FOR FEDERAL EMPLOYEES~~

7 "SEC. 1301. (a) Any person who shall have rendered
8 service as a civilian in the employ of the United States Gov-
9 ernment, after September 16, 1940, shall be entitled, in
10 accordance with the applicable provisions of the unemploy-
11 ment compensation law of the State in which claim for
12 compensation is filed, to receive compensation for each week
13 of unemployment commencing after September 30, 1944, in
14 the same amounts, on the same terms, and subject to the
15 same conditions, as though the unemployment compensation
16 laws of the several States did not exclude services performed
17 in the employ of the United States Government. Any claim
18 for compensation under this section shall be filed in a State
19 in which a part of the service in the employ of the United
20 States Government was performed. As used in this section,
21 the term 'United States Government' includes any wholly
22 owned instrumentality of the United States.

23 "(b) The Social Security Board is authorized on behalf
24 of the United States to enter into an agreement with any
25 State or with the unemployment compensation agency of

1 such State, under which such State agency will make, as the
2 agent of the United States, payments of unemployment com-
3 pensation to individuals with respect to services performed
4 by them as civilians in the employ of the United States
5 Government, on the basis provided in subsection (a).

6 “(c) Each State shall be entitled to receive from the
7 Federal unemployment account for each quarter, begin-
8 ning with the first quarter commencing after enactment of
9 this Act, an amount equal to the total of all payments of
10 unemployment compensation made by such State during
11 such quarter, pursuant to an agreement under this section.

12 “(d) In the event that any State does not agree to
13 make such payments to such persons, the Civil Service
14 Commission is hereby authorized and directed to make such
15 payments.

16 “(e) All departments, agencies, and instrumentalities of
17 the United States are directed to make available to the
18 appropriate State agency such information with reference to
19 compensation of persons in the employ of the United States
20 Government as may be necessary to determine the benefits
21 payable under this title.

22 “(f) In case of an agreement under this section that a
23 State agency will make payments as agent of the United
24 States, there shall be paid in advance to the State such sum
25 as the Board estimates the State will be entitled to receive

1 for each quarter under such section; reduced or increased, as
 2 the case may be, by any sum by which it finds that its esti-
 3 mate for any prior quarter was greater or less than the
 4 amount which should have been paid to the State. All money
 5 paid to a State under this subsection shall be used solely for
 6 the payment of unemployment compensation. Any money
 7 so paid to a State which is not used for the purpose for which
 8 it was paid shall, upon termination of the agreement, be
 9 returned to the Treasury

10 “(g) Determinations of entitlement to unemployment
 11 compensation made by a State agency under an agreement
 12 that such agency will act as agent of the United States
 13 under this section shall be subject to review in the same man-
 14 ner and to the same extent as determinations under the State
 15 unemployment compensation law, and only in such manner
 16 and to such extent. Such an agreement may require any
 17 officer or employee of the State disbursing funds pursuant
 18 to the agreement or otherwise participating in its perform-
 19 ance to give a surety bond to the United States in such amount
 20 as the Board may deem necessary, and may provide for pay-
 21 ment of the cost of such bond from appropriations for carry-
 22 ing out the purpose of this Act.

23 “(h) The Board shall from time to time certify to the
 24 Secretary of the Treasury for payment to each State the
 25 sums payable to it under this section. The Secretary of the

1 Treasury, through the Fiscal Service of the Treasury De-
2 partment, and prior to audit or settlement by the General
3 Accounting Office, shall make payment in accordance with
4 such certification."

5 SEC. 404. This Act, and the amendments to the Social
6 Security Act made thereby, shall cease to be effective at the
7 end of the second full calendar year after the termination
8 of hostilities in the present war as declared by Presidential
9 proclamation or concurrent resolution of the Congress, except
10 that the obligation of the State agencies to repay advances
11 made from the Federal unemployment accounts shall remain
12 effective until such advances are repaid. Any amounts so
13 repaid after the end of such year, and any amounts in the
14 Federal unemployment account at the end of such year,
15 shall be covered into the general fund of the Treasury.

16 TITLE V—PUBLIC WORKS

17 SEC. 501. (a) In order to encourage States and other
18 non-Federal public agencies to make advance provision for
19 the construction of public works (not including housing),
20 the Federal Works Administrator is hereby authorized to
21 make, from funds appropriated for that purpose, loans or
22 advances to the States and their agencies and political sub-
23 divisions (hereinafter referred to as "public agencies") to
24 aid in financing the cost of architectural, engineering, and
25 economic investigations and studies, surveys, designs, plans,

1 working drawings, specifications, procedures, and other ac-
 2 tion preliminary to the construction of such public works:
 3 *Provided*, That the making of loans or advances hereunder
 4 shall not in any way commit the Congress to appropriate
 5 funds to undertake any projects so planned.

6 (b) Funds appropriated for the making of loans or ad-
 7 vances hereunder shall be allotted by the Federal Works
 8 Administrator among the several States in the following
 9 proportion: 90 per centum in the proportion which the
 10 population of each State bears to the total population of all
 11 the States, as shown by the latest available Federal census,
 12 and 10 per centum according to his discretion: *Provided*,
 13 That the allotments to any State shall aggregate not less
 14 than one-half of 1 per centum of the total funds available
 15 for allotment hereunder: *Provided further*, That no loans or
 16 advances shall be made with respect to any individual project
 17 unless it conforms to an over-all local or regional plan ap-
 18 proved by competent local or regional authority.

19 (c) Advances under this section to any public agency
 20 shall be repaid by such agency if and when the construction
 21 of the public works so planned is undertaken. Any sums
 22 so repaid shall be covered into the Treasury as miscellaneous
 23 receipts.

24 (d) The Federal Works Administrator is authorized

1 to prescribe rules and regulations to carry out the purposes
2 of this section.

3 ~~(c)~~ As used in this section, the term "State" shall
4 include the District of Columbia.

5 SEC. 502 ~~(a)~~ The Secretary of Labor shall make a
6 full study and investigation as to—

7 ~~(1)~~ the extent to which the adoption of annual
8 wage systems would contribute to full employment and
9 rising standards of living;

10 ~~(2)~~ the factors in favor of and against the adoption
11 of various types of annual wage systems in various in-
12 dustries;

13 ~~(3)~~ present and past use of annual wage systems
14 by particular industries or individual employers;

15 ~~(4)~~ other wage systems which might contribute to
16 full employment and rising standards of living; and

17 ~~(5)~~ possible means to be used by the Government
18 through tax advantages or otherwise in promoting adop-
19 tion of annual wage systems or other wage systems de-
20 signed to bring about full employment and rising stand-
21 ards of living.

22 ~~(b)~~ The Secretary of Labor shall submit to the Presi-
23 dent, the Senate, and the House of Representatives, within
24 six months after the enactment of this Act, and at such later

1 dates as the Secretary may deem desirable, reports on the
2 results of the studies called for in this section.

3 TITLE VI—MISCELLANEOUS PROVISIONS

4 SEC. 601. When used in this Act—

5 (a) The term "Government agency" means any de-
6 partment, independent establishment, or agency in the
7 executive branch of the Government, including any cor-
8 poration wholly owned by the United States.

9 (b) The term "contracting agency" means any Gov-
10 ernment agency which has been or hereafter may be author-
11 ized to make contracts pursuant to section 201 of the First
12 War Powers Act, 1941, and includes the Reconstruction
13 Finance Corporation and any corporation organized pursuant
14 to the Reconstruction Finance Corporation Act (47 Stat.
15 5), as amended, and the Smaller War Plants Corporation.

16 SEC. 602. There are authorized to be appropriated such
17 sums as may be necessary or appropriate to carry out the
18 purposes and provisions of this Act.

19 SEC. 603. The provisions of this Act shall become effec-
20 tive immediately, unless otherwise provided in the Act, and
21 unless otherwise provided shall be terminated at the end of
22 twenty-four months after the termination of hostilities.

23 SEC. 604. If any provision of this Act, or the applica-
24 tion of such provision to any person or circumstance, is held
25 invalid, the remainder of this Act or the application of such

1 provision to persons or circumstances, other than those as
2 to which it is held invalid, shall not be affected thereby.

3 SEC. 605. When the Director first appointed under
4 section 102 has taken office, the Office of War Mobilization
5 established by Executive Order Numbered 9347, dated May
6 27, 1943, shall cease to exist; and such records and prop-
7 erty of the Office of War Mobilization, and such unexpended
8 balances of appropriations or other funds available for its
9 use, as the President shall determine shall be transferred to
10 the Office of Mobilization and Adjustment.

11 SEC. 606. All orders, policies, procedures, or directives
12 prescribed by the Director of War Mobilization, in effect
13 upon the effective date of this Act, and not inconsistent with
14 this Act, shall remain in full force and effect unless and
15 until superseded by the Director in accordance with this
16 Act, or by operation of law.

17 SEC. 607. No alien shall be employed in any capacity
18 in the administration of this Act unless he has served honor-
19 ably in the armed forces of the United States.

20 SEC. 608. This Act may be cited as the "War Mobil-
21 ization and Reconversion Act of 1944".

22 TITLE I—OFFICE OF WAR MOBILIZATION
23 AND RECONVERSION

24 SECTION 101. (a) There is hereby established the Office
25 of War Mobilization and Reconversion, which shall be headed

1 by the Director of War Mobilization and Reconversion
2 (hereinafter called the "Director"). The Director shall be
3 appointed by the President, by and with the advice and con-
4 sent of the Senate, shall receive compensation at the rate
5 of \$15,000 per year, and shall serve for a term of two years.

6 (b) The following agencies shall be placed within the
7 Office of War Mobilization and Reconversion and shall exer-
8 cise their functions subject to the general supervision of the
9 Director:

10 (1) Office of Contract Settlement, created by the Con-
11 tract Settlement Act of 1944.

12 (2) Surplus Property Administration, created by the
13 Surplus Property Act of 1944.

14 Nothing in this subsection shall imply any derogation
15 of the powers of the Director under subsection (c) with
16 respect to other agencies not specifically placed within his
17 office.

18 (c) In addition to any powers which the President is
19 authorized to and does delegate to the Director for the pur-
20 pose of more effectively coordinating the mobilization of the
21 Nation for war, the Director shall, subject to the direction
22 of the President—

23 (1) formulate or have formulated such plans as are
24 necessary to meet the problems arising out of the transi-
25 tion from war to peace;

1 (2) coordinate the activities of other executive agen-
2 cies with respect to the problems arising out of the
3 transition from war to peace. Nothing contained in this
4 section shall be construed as authorizing any activities to
5 carry out any plans formulated under this section which
6 are not within the scope of the powers possessed by the
7 President or the executive agencies under provisions of
8 law other than this section;

9 (3) recommend to the Congress appropriate legis-
10 lation providing authority to carry out plans developed
11 under this section but not authorized under existing law;

12 (4) promote and assist in the development of de-
13 mobilization and reconversion plans by other executive
14 agencies; develop procedures whereby each executive
15 agency is kept informed of proposed demobilization and
16 reconversion plans and proposals which relate to its work
17 and which are being developed or carried out by other
18 executive agencies; and settle controversies between such
19 executive agencies in the development and administration
20 of such plans;

21 (5) cause studies and reports to be made for him
22 by the various executive agencies which will enable him
23 to determine the need for the simplification, consolida-
24 tion, or elimination of such executive agencies as have
25 been established for the purposes of the war emergency,

1 for the termination, or establishment by statute, of exec-
2 utive agencies which exist under Executive order only,
3 and for the relaxation or removal of emergency war
4 controls;

5 (6) institute a specific study, for submission to the
6 President and the Congress, of the present functions of
7 the various executive agencies in the field of manpower,
8 and develop a program for reorganizing and consolidat-
9 ing such agencies to the fullest extent practicable;

10 (7) consult and cooperate with State and local gov-
11 ernments, industry, labor, agriculture, and other groups,
12 both national and local, concerning the problems arising
13 out of the transition from war to peace; and

14 (8) submit reports to the President, the Senate,
15 and the House of Representatives on the 1st days of
16 January, April, July, and October, on the activities
17 undertaken or contemplated by him under this Act.
18 Such reports shall summarize and appraise the activities
19 of the various executive agencies in the field of demobili-
20 zation and post-war adjustment, and may include such
21 legislative proposals as he may deem necessary or
22 desirable.

23 (d) The Director shall, within the limits of funds which
24 may be made available for this purpose by Congress, employ
25 and fix the compensation of such Deputy Directors and other

1 officers and employees, and may make such expenditures for
2 supplies, facilities, and services as may be necessary to carry
3 out his functions. All such officers and employees shall be
4 appointed in accordance with the civil-service laws and their
5 compensation fixed in accordance with the Classification Act
6 of 1923, as amended, except that Deputy Directors may be
7 employed and their compensation fixed without regard to such
8 laws. To the fullest extent practicable, the Director shall
9 perform the duties imposed upon him through the facilities
10 and personnel of other executive agencies; and for that pur-
11 pose he is authorized to delegate and provide for the redelega-
12 tion of the powers and duties vested in him. The Director
13 may require such reports and information from other execu-
14 tive agencies as he deems necessary to enable him to carry
15 out his functions under this Act, and each executive agency
16 shall furnish any information and reports so required.

17 TITLE II—INDUSTRIAL DEMOBILIZATION

18 AND RECONVERSION

19 SEC. 201. Any contracting agency shall terminate prime
20 contracts for war production whenever in the opinion of the
21 agency the performance under such contracts will not be
22 needed for the prosecution of the war, and shall not continue
23 performance under such contracts merely for the purpose of
24 providing business and employment, or for any purposes other
25 than the prosecution of the war.

1 *SEC. 202. Curtailments of war production or termina-*
2 *tions of war contracts shall be integrated and synchronized*
3 *with the expansion, resumption, or initiation of production*
4 *for other war purposes, and, to the greatest extent compatible*
5 *with the effective prosecution of the war, of production for*
6 *non-war use. To effectuate this policy—*

7 *(a) the contracting agencies shall continuously sur-*
8 *vey their product and material requirements and report*
9 *to the Director, in such form and detail as he may de-*
10 *termine, on current and anticipated changes in require-*
11 *ments and on all anticipated curtailments of war pro-*
12 *duction or terminations of war contracts;*

13 *(b) the executive agencies exercising control over*
14 *manpower, production, or materials shall permit the ex-*
15 *pansion, resumption, or initiation of production for non-*
16 *war use whenever such production does not require*
17 *materials, components, facilities, or labor needed for war*
18 *purposes, or will not otherwise adversely affect or inter-*
19 *fere with the production for war purposes. Such produc-*
20 *tion for non-war use shall be permitted regardless of*
21 *whether one or more competitors normally engaged in the*
22 *same type of production are still engaged in the perform-*
23 *ance under any contract which is needed for the prosecu-*
24 *tion of the war, and shall not be made dependent upon the*

1 *existence of a concern or the functioning of a concern in*
2 *a given field of activity at a given time;*

3 *(c) the Director shall—*

4 *(1) establish policies to be followed by the*
5 *contracting agencies in selecting individual con-*
6 *tracts or classes of contracts for curtailment, non-*
7 *renewal, or termination;*

8 *(2) establish policies providing for full and*
9 *prompt consultation between the executive agencies,*
10 *war contractors, and the representatives of the em-*
11 *ployees of war contractors with regard to obtaining*
12 *the most effective use in other war production or in*
13 *production for non-war use of facilities and man-*
14 *power to be released through anticipated curtailments*
15 *in war production or terminations of war contracts.*

16 *SEC. 203. (a) Whenever the expansion, resumption, or*
17 *initiation of production for non-war use is authorized, on a*
18 *restricted basis, by any executive agency having control over*
19 *manpower, production, or materials, the restrictions imposed*
20 *shall not be such as to prevent any small plant capable and*
21 *desirous of participating in such expansion, resumption, or*
22 *initiation of production for non-war use from so participating*
23 *in such production.*

24 *(b) Whenever such executive agency allocates available*

1 *"a separate book account for each State agency" a comma*
2 *and the following: "the Federal unemployment account,".*

3 *(c) Section 904 of the Social Security Act, as amended,*
4 *is further amended by adding, at the end of the section, the*
5 *following new subsections:*

6 *"(g) The Secretary of the Treasury is authorized and*
7 *directed, prior to audit or settlement by the General Ac-*
8 *counting Office, to make transfers from the Federal unem-*
9 *ployment account to the account of any State in the Unem-*
10 *ployment Trust Fund in accordance with certification made*
11 *by the Board pursuant to section 1201, not exceeding the*
12 *amount on deposit in the Federal unemployment account at*
13 *the time of such transfer.*

14 *"(h) There is hereby established in the Unemployment*
15 *Trust Fund a Federal unemployment account. There is*
16 *hereby authorized to be appropriated to such Federal unem-*
17 *ployment account a sum equal to the excess of taxes col-*
18 *lected prior to July 1, 1943, under title IX of this Act and*
19 *under the Federal Unemployment Tax Act, over the total*
20 *unemployment administrative expenditures made prior to*
21 *July 1, 1943; and there is hereby authorized to be appro-*
22 *priated to such account for the fiscal year 1945 and for*
23 *each fiscal year thereafter (1) a sum equal to any excess*
24 *of taxes collected in the preceding fiscal year under the Fed-*
25 *eral Unemployment Tax Act over the unemployment ad-*

1 ministrative expenditures made in such year, and (2) such
 2 further sums, if any, as may be necessary to carry out the
 3 purposes of title XII. Any amounts in the Federal unem-
 4 ployment account on the termination date prescribed in section
 5 503 of the War Mobilization and Reconversion Act, and
 6 any amounts repaid to such account after such date, shall
 7 be covered into the general fund of the Treasury. As used
 8 in this subsection, the term 'unemployment administrative
 9 expenditures' means expenditures for grants under title III
 10 of this Act, for the administration of that title by the Board,
 11 and for the administration of title IX of this Act and of
 12 the Federal Unemployment Tax Act by the Department
 13 of the Treasury and the Board. For the purposes of this
 14 subsection there shall be deducted from the total amount of
 15 taxes collected prior to July 1, 1943, under title IX of this
 16 Act, the sum of \$40,561,886.43 which was authorized to
 17 be appropriated by the Act of August 24, 1937 (50 Stat.
 18 754)."

19 SEC. 302. The Social Security Act, as amended, is fur-
 20 ther amended by adding at the end thereof the following
 21 new title:

22 "TITLE XII—ADVANCES TO STATE
 23 UNEMPLOYMENT FUNDS

24 "SEC. 1201. (a) In the event that the balance in a State's
 25 account in the Unemployment Trust Fund on June 30,

1 1945, or on the last day in any ensuing calendar quarter
2 which ends prior to the termination date prescribed in sec-
3 tion 503 of the War Mobilization and Reconversion Act,
4 does not exceed a sum equal to the total contributions deposited
5 in the Unemployment Trust Fund under the unemployment
6 compensation law of the State during that one of the two
7 calendar years next preceding such day in which such deposits
8 were higher, the State shall be entitled, subject to the pro-
9 visions of subsections (b) and (c) hereof, to have transferred
10 from the Federal unemployment account to its account in the
11 Unemployment Trust Fund an amount equal to the unem-
12 ployment compensation paid out by it in the calendar quarter
13 ending on such day, which is in excess of 2.7 per centum of
14 the total remuneration, paid during such quarter, subject to
15 the State unemployment compensation law.

16 “(b) The Social Security Board is authorized and di-
17 rected, on application of a State unemployment compensation
18 agency, to make findings as to whether the conditions for
19 the transfer of moneys provided for in subsection (a) hereof
20 have been met; and if such conditions exist, the Board
21 is directed to certify, to the Secretary of the Treasury, from
22 time to time, the amounts for transfer in order to carry
23 out the purposes of this title, reduced or increased, as the
24 case may be, by any sum by which the Board finds that

1 the amounts transferred for any prior quarter were greater
2 or less than the amounts to which the State was entitled
3 for such quarter. The application of a State agency shall
4 be made on such forms, and contain such information and
5 data, fiscal and otherwise, concerning the operation and
6 administration of the State law, as the Board deems neces-
7 sary or relevant to the performance of its duties hereunder.

8 “(c) Any amount transferred to the account of any
9 State under this section shall be treated as an advance,
10 without interest, to the unemployment fund of such State
11 and shall be repaid to the Federal unemployment account
12 from the unemployment fund of that State to the extent that
13 the balance in the State’s account in the Unemployment Trust
14 Fund, at the end of any calendar quarter, exceeds a sum
15 equal to the total contributions deposited in the Unemployment
16 Trust Fund under the unemployment compensation law of
17 the State during that one of the two preceding calendar years
18 preceding such day in which such deposits were higher. The
19 Secretary of the Treasury shall, after the end of each cal-
20 endar quarter, transfer from the unemployment account of
21 each State in the Unemployment Trust Fund to the Federal
22 unemployment account the amount required to be repaid from
23 the unemployment fund of such State at the end of such
24 quarter under this subsection.”

TITLE IV—PUBLIC WORKS

SEC. 401. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: Provided, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 per centum in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 per centum according to his discretion: Provided, That the allotments to any State shall aggregate not less than one-half of 1 per centum of the total funds available for allotment hereunder: Provided further, That no loans or advances shall be

1 *made with respect to any individual project unless it conforms*
2 *to an over-all local or regional plan approved by competent*
3 *local or regional authority.*

4 *(c) Loans or advances under this section to any public*
5 *agency shall bear interest at the rate of 2½ per centum per*
6 *annum and shall be repaid by such agency within five years*
7 *from the making of the loan or advance or, if the construction*
8 *of the public works so planned is undertaken prior to the end*
9 *of such five years, shall be repaid when such construction is*
10 *undertaken. Any sums so repaid shall be covered into the*
11 *Treasury as miscellaneous receipts.*

12 *(d) The Federal Works Administrator is authorized to*
13 *prescribe rules and regulations to carry out the purposes of*
14 *this section.*

15 *(e) As used in this section, the term "State" shall include*
16 *the District of Columbia.*

17 *TITLE V—MISCELLANEOUS PROVISIONS*

18 *SEC. 501. When used in this Act—*

19 *(a) The term "executive agency" means any department,*
20 *independent establishment, or agency in the executive branch*
21 *of the Government, including any corporation wholly owned*
22 *by the United States.*

23 *(b) The term "contracting agency" means any Govern-*
24 *ment agency which has been or hereafter may be authorized*
25 *to make contracts pursuant to section 201 of the First War*

1 *Powers Act, 1941, and includes the Reconstruction Finance*
2 *Corporation and any corporation organized pursuant to the*
3 *Reconstruction Finance Corporation Act (47 Stat. 5), as*
4 *amended, and the Smaller War Plants Corporation.*

5 *SEC. 502. There are authorized to be appropriated such*
6 *sums as may be necessary or appropriate to carry out the*
7 *purposes and provisions of this Act.*

8 *SEC. 503. The provisions of this Act shall terminate at*
9 *the end of one year after the termination of hostilities in the*
10 *present war, as proclaimed by the President, or at such*
11 *earlier time as the Senate shall have passed a Senate reso-*
12 *lution, and the House of Representatives shall have passed*
13 *a House resolution, declaring that no emergency exists which*
14 *requires the further continuance of the provisions of this*
15 *Act; and the date on which the provisions of this Act terminate*
16 *shall also be the termination date for the purposes of sections*
17 *904 (h) and 1201 (a) of the Social Security Act, as*
18 *amended.*

19 *SEC. 504. If any provision of this Act, or the appli-*
20 *cation of such provision to any person or circumstance, is*
21 *held invalid, the remainder of this Act or the application*
22 *of such provision to persons or circumstances, other than*
23 *those as to which it is held invalid, shall not be affected*
24 *thereby.*

25 *SEC. 505. When the Director first appointed under sec-*

1 tion 101 has taken office, the Office of War Mobilization
2 established by Executive Order Numbered 9347, dated May
3 27, 1943, and the agencies within such Office created by
4 subsequent Executive orders, shall cease to exist; and such
5 records and property of the Office of War Mobilization, and
6 such unexpended balances of appropriations or other funds
7 available for its use, as the President shall determine, shall
8 be transferred to the Office of War Mobilization and
9 Reconversion.

10 SEC. 506. All orders, policies, procedures, or directives
11 prescribed by the Director of War Mobilization, in effect upon
12 the effective date of this Act, and not inconsistent with this
13 Act, shall remain in full force and effect unless and until
14 superseded by the Director in accordance with this Act, or
15 by operation of law.

16 SEC. 507. This Act may be cited as the "War Mobiliza-
17 tion and Reconversion Act of 1944".

Passed the Senate August 11 (legislative day, August
8), 1944.

Attest:

EDWIN A. HALSEY,
Secretary.

AN ACT

To amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

AUGUST 14, 1944

Referred to the Committee on Ways and Means

AUGUST 24, 1944

Reported with an amendment, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed



DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued August 29, 1944, for actions of Monday, August 28, 1944)

(For staff of the Department only)

CONTENTS

Adjournment.....9	Flood control.....8	Property management.....1
Administrative law.....7	Payments in lieu of	Selective service.....3
Congressional organiza-	taxes.....4	Standard time.....5
tion.....13	Personnel.....2,3	Veterans.....11
Education.....12	Post-war planning..1,2,10	Water conservation.....6
Food production.....14		

HOUSE

1. PROPERTY MANAGEMENT. Reps. Manasco, Ala., Cochran, Whittington, Gifford, and Hoffman were appointed conferees on H.R. 5125, the surplus-property disposal bill (p. 7425). Senate conferees appointed Aug. 25.
Received a Calif. Cattlemen's Association resolution favoring the "principle of giving former owners a preference in the sale of Government property acquired for war purposes" (p. 7231).
2. POST-WAR PLANNING. S. 2051, as reported (Aug. 24) by the House Ways and Means Committee (H. Rept. 1798), establishes the Office of War Mobilization and Reconversion, to include the Office of Contract Settlement (created by the Contract Settlement Act of 1944) and the Surplus Property Administration (which would be created by the pending surplus-property bill); makes provision for the Director of War Mobilization and Reconversion to continue to exercise the functions now performed by the Director of War Mobilization; provides for termination of war contracts when war needs have been satisfied; requires small business to be considered in connection with war contracts; provides for Federal advances to State unemployment funds, if they become impaired, for unemployment insurance; and authorizes the Federal Works Administrator to make loans or advances to States to aid in financing public-works planning. The House Committee bill does not contain any provision comparable to the Senate provisions relating to retraining and reemployment, and it would terminate the existence of the Retraining and Reemployment Administration, now existing under executive order (the committee report states that the function of this agency has already been lodged with other Government agencies). The Committee report states that no provision has been made for unemployment compensation for Federal employees because of a parliamentary situation under which discrimination would result, and that the Committee "will leave the whole subject for possible future consideration in a bill originating in the House relating to the matter of coverage of the Federal Unemployment Tax Act."
Rules Committee reported a resolution for consideration of S. 2051, the demobilization reconversion bill (pp. 7427, 7430.)
3. PERSONNEL; SELECTIVE SERVICE. Received SSS's report of registrants deferred as of June 15, 1944, because of Federal employment. To Military Affairs Committee. (p. 7430.)
4. PAYMENTS IN LIEU OF TAXES. Received a Calif. Cattlemen's Association resolution opposing further acquisition of lands by the Federal Government and urging that

- all public lands be restored to the tax rolls as promptly as possible (p. 7431).
5. STANDARD TIME. Received a Calif. Cattlemen's Association resolution urging return to standard time (p. 7431).
 6. WATER CONSERVATION. Received a Calif. Cattlemen's Association resolution opposing any acreage limitation in sale of water from the Central Valley project (p. 7431).
 7. ADMINISTRATIVE LAW; EXECUTIVE AUTHORITY. H.R. 5237 (see Digest 135), submitted by the Smith Committee, requires all U. S. Agencies to publicize their working rules, organization, and precedents, and to give public notice when rules are proposed to be made; provides for adequate notice to parties of interest and an opportunity to settle disputes informally; directs agencies to issue declaratory orders upon the petition of a proper party; defines the rights of persons to appear, with counsel, before administrative agencies for the prompt determination, formally or informally, of issues within the jurisdiction of the agencies; prescribes legal bounds within which all agencies must confine their investigations and provides that one agency may not, without specific authorization, transfer to another information it has acquired by investigation; requires subpoenas to be issued upon the request of private parties; provides for the hearing of administrative cases by officers independent of the agencies involved; provides for the making of the decision by the officer who heard the evidence which, in the absence of appeal to the agency, would be final; prohibits the exercise of "implied" powers; does not exclude from provisions respecting judicial review matters subject to a subsequent trial de novo or the judicial review in any legislative court; provides for judicial interpretation and determination of the applicability of any administrative rule or order, for the trial and determination of the facts as to the failure of any agency to comply with the requirements of the act, and for the invalidity of any contract attempting to limit the right or scope of review provided; requires separation of the prosecuting and deciding functions within any agency; and permits present agency examiners to exercise the functions of the independent commissioners until one year after the war ends. In its report, the Committee states that it "has not attempted to conduct public hearings" on the bill, but that the proposal "will be referred to the Committee of the Judiciary where other proposals are pending and where hearings will probably be held on all of them."

SENATE

8. FLOOD CONTROL. Sen. Mead, N. Y., submitted an amendment which he intends to propose to H. R. 4485, the Whittington omnibus flood-control bill (p. 7417).
9. ADJOURNED until Thurs., Aug. 31 (p. 7421).

ITEMS IN APPENDIX

10. POST-WAR PLANNING. Rep. Woberton, N. J., inserted a summary and explanation of H.R. 5227, the Dingell-Celler mobilization and reconversion bill (pp. A4052-4).
11. VETERANS' BENEFITS. Rep. Rankin, Miss., inserted a U.S. Government article describing servicemen's rights and benefits (pp. A4057-60).
Sen. Murdock, Utah, inserted an American Journal of Nursing article on the "Rehabilitation of Service Men and Women" (pp. 4060-2).
Extension of remarks of Rep. Morrison, La., concerning veterans' benefits, including the purchase of farms (pp. A4062-3).

must have served as the breathless messenger which carried this news to our troops.

With this soldier out there on the other side of the globe I wonder, to use his exact language, "If Dewey can get this type of advertising, plus a \$20,000,000 boat ride, free?"

I shall look forward with intense interest to see if the State, War, and Navy Departments or the O. W. I. will publicize the speeches of Mr. Dewey and place them in the hands of our fighting men in the same way.

Certainly our men abroad who must depend upon the same sources which inspired this news digest for whatever detailed official news they receive are entitled in all fairness and justice to full coverage of both sides of every question. If this one example is typical, I honestly wonder what chance the average American fighting man has today to reach an unbiased conclusion about his vote in November.

SOCIAL SECURITY ACT

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 627), which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 days to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Ways and Means now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. HARNESS of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio address recently made.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Dr. H. G. Bennett.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Louisiana [Mr. MORRISON] be permitted to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Washington Post on the subject of treaty ratification.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter which I received from Dr. McCracken, a very distinguished educator from Ohio, who deals with the history of Federal aid to education.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances; in one, to include a letter written to Chester Bowles, and in the other an editorial from the Omaha World Herald.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in three instances and include summaries relative to veterans' legislation.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a straw ballot taken by the Des Moines Register, Des Moines, Iowa.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper clipping.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. BUFFETT asked and was given permission to extend his remarks in the RECORD.)

Mr. WOLVERTON of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a summary of the Dingell bill (H. R. 5227) to provide a national program for war mobilization, and reconversion, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

WAR MOBILIZATION AND RECONVERSION

Mr. WOLVERTON of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I have asked for this time to call attention to the fact that under unanimous consent just granted I have received permission to include in the RECORD a summary of the so-called Dingell bill (H. R. 5227), to provide a national program for war mobilization, and reconversion, and for other purposes. I consider this bill of sufficient importance to request the Members of the House to give it their very careful consideration. This bill was drawn by some Members of the House after consultation with representatives of the American Federation of Labor, the C. I. O., and the railroad brotherhoods. I am informed, and I believe my information to be correct, that it has the support of the different organizations to which I have just referred. It differs from the Senate bill, known as the George bill, the substitute for the latter as reported by the Ways and Means Committee, and the other bills that have been formerly introduced. It is a compromise measure. It has been carefully drawn. It is entitled to the favorable consideration of the membership of the House.

CARE OF VETERANS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, last week I suggested to General Hines and to the House that there should be appointed an Assistant Administrator of the Veterans' Administration in charge of the disabled. My fear is that General Hines is so busy that he cannot properly take care of the urgent needs of the disabled. Everyone wants to see General Hines but he is occupied with many problems for all veterans. I also brought to the attention of the House the fact that all of the activities for the veterans should be brought under one head and one building, not only at Washington but all over the United States.

It is a hardship for the disabled veterans to be compelled to go to different offices, often far removed from one another, in order to process their claims, to receive examinations, medical treatment, hospitalization, vocational training, loans, and other benefits to which they are entitled. The Veterans' Administration offices at Boston are in different buildings in different parts of the city. The same separation of Veterans' Administration offices undoubtedly exists in other cities throughout the United States. It is working a tremendous hardship on the disabled veterans. It is very difficult for many of them to stand. Many of them cannot stand, and they should not be sent or shoved around from one building to another.

Many of our veterans are cruelly maimed. Many suffer from TB, and many suffer from strange fevers acquired in the Tropics.

Here in Washington one building should be provided, even if some of the old-line agencies have to move out into temporary buildings in order to house the veterans' activities under one roof. One of the purposes of the G. I. bill enacted by Congress was to have all veterans' activities in one central location. Today that is not being done. We must see that the provisions of the original G. I. bill does not become a mere scrap of paper.

Prompt payment by the Veterans' Administration of death claims of the veterans' national service life insurance is most important. Delay in the payment of these claims is inexcusable. While part of the Insurance Section of the Veterans' Administration has been moved to New York as a step toward expediting action on these claims, further decentralization should be considered immediately in order to take care of the claims pending and to keep current in the future in the payment of insurance death claims.

FAIR EMPLOYMENT PRACTICE COMMISSION

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LAFOLLETTE. Mr. Speaker, last Thursday, August 24, the House Labor Committee decided to postpone until after election the completion of hearings on my bill to establish a permanent Fair Employment Practice Commission, a bill which has been before the committee since January.

I am sorry to have to say that it looks as though this bill is being bottled up in committee during the election campaign only because the Democratic Party platform evaded the issue of discrimination in employment.

I hope I am wrong, because discrimination in employment is an issue which should transcend party lines. It is an issue on which all of us who are up for reelection must stand squarely and be counted.

I introduced H. R. 4005 on January 17. Two of my Democratic colleagues introduced identical bills about the same time. Yet, despite the apparent need to give stability and statutory authority for the post-war period to one of the most important war agencies created by Executive order, the committee failed to act. The need for post-war planning to prevent discrimination in employment against Negroes and other minorities from becoming, as it did after the last war, an issue which provoked race riots throughout the country is so clear that I think the failure of the committee to continue hearings or report a bill before the fall recess is a grave mistake.

Shall we say after this international war, in the name of freedom, to the Negro, the Jew, the Mexican, and others whose full participation in war production we made possible, "Now that it's over, go back to your pre-war status of limited citizenship?"

Shall we say to the Negro, the Jew, the Mexican, who survives and returns from what we are pleased today to call the battlefields of freedom, "Freedom from discrimination was not among the freedoms you fought for?"

Shall we say to the fathers and mothers, the wives and children of those who will never come back, "They really didn't die to make a better world for you?"

The House Labor Committee suspended hearings for the convention recess, but not before enough evidence had been presented to demonstrate the need for immediate action, and to demonstrate that our major religious, civic, and labor groups were solidly behind the bill.

Then what happened?

The Republican Party held its convention and put into its platform a forthright plank declaring, "We pledge the establishment by Federal legislation of a permanent fair employment practice commission." Other planks called for a constitutional amendment to abolish the poll tax, an antilynching law, and legislation to correct "mistreatment, segregation, and discrimination against Negroes who are in our armed forces."

How did the Democratic Party meet this challenge in its convention a few weeks later? By a short, evasive statement which Walter White aptly termed "a splinter" rather than a plank.

We believe—

The statement reads—

that racial and religious minorities have the right to live, develop, and vote equally with all citizens and share the rights that are guaranteed by our Constitution. Congress should exert its full constitutional powers to protect these rights.

And that is all. The right to work equally with all citizens, as you may have noticed, is conspicuous by its absence.

Discrimination in employment is an issue which should transcend party lines. I hope the committee will reconsider its decision and report out a bill before the election recess.

It is a matter of common knowledge that for years this Democratic administration has boasted to labor and liberal groups that no legislation came out of the House Labor Committee except that which the administration approved. Having worn that shoe for 12 years it cannot take it off if it pinches now. I call upon the Democratic Party and its candidate for President to explain to the Jews, Negroes, Mexicans, and other minorities who need the protection of a permanent F. E. P. C., why it has permitted or ordered its Labor Committee chairman to hold up on this legislation until after the coming election.

EXTENSION OF REMARKS

Mr. WILLEY. Mr. Speaker, I ask unanimous consent to extend my re-

marks in the RECORD and include a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

[The matter referred to appears in the Appendix.]

DISPOSAL OF GOVERNMENT SURPLUS PROPERTY

Mr. VOORHIS of California. Mr. Speaker, the House a short time ago passed a surplus-property bill, which I tried to amend in a number of respects, as other Members did. One or two of our amendments were adopted. Most of them were defeated, however. The Senate passed a very different sort of bill, a bill which includes many of the provisions that some of us tried to get in on the floor of the House. I merely want to say that in my judgment that Senate bill is considerably better than the one we passed, a tighter bill, more truly a piece of real, thoughtful legislation—less of a blanket grant of sweeping powers to one man. I hope that most of the provisions of that Senate bill will be accepted by the House, for I think we will have better legislation if that is done. Certainly we will have legislation which will more adequately protect small business and the general interest of the people.

EXTENSION OF REMARKS

Mr. GRANT of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Montgomery Advertiser.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RANKIN. Mr. Speaker, on last Thursday I asked unanimous consent to insert in the RECORD a statement on the servicemen's rights and benefits. I have a statement from the Government Printing Office saying that it will cost \$195. They might as well have said \$195,000. Of course, it will not cost anything of the kind, because all it will cost will be the extra paper and the ink that goes to print it. However, I ask unanimous consent that it be printed in the RECORD notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[The matter referred to appears in the Appendix.]

LET US NOT INJECT THE BLOOD OF OTHER RACES INTO THE VEINS OF OUR WOUNDED FIGHTING MEN

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks and include a circular that is being distributed to Government workers here on the question of the blood bank.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the gentleman from Indiana [Mr. LaFOLLETTE] keeps clamoring for this Fair Employment Practice Committee—F. E. P. C.—and says we ought to all stand up and be counted. If the white people of his district ever find out what that iniquitous proposition is, they are going to count him without his standing up, and I think they will count him out; and they will more than likely count out every other white man who sponsors any such crazy legislation.

This F. E. P. C. would force every enterprise to employ Negroes, Japs, or members of any other race, whether they were wanted or not, and promote them over white people, regardless of the trouble such an arrangement produced. That might suit the gentleman from Indiana [Mr. LaFOLLETTE], but I do not believe it would suit the rest of the white people of Indiana.

Right in line with that communistic program is this circular that is being circulated here to outlaw the separation of the blood that is being banked to be injected into the veins of our disabled servicemen. I wonder if the gentleman from Indiana wants to have that done. I wonder if he wants to have the blood of other races injected into the disabled servicemen of the State of Indiana.

Here is a circular these Communists are circulating among the Government employees here in Washington. It reads as follows:

ON LABOR DAY GIVE BLOOD AND PROTEST PLASMA SEGREGATION

Why?

Fighting men, black and white, are dying each day for democracy. You can save a life and advance democracy at home. All human blood plasma is the same and plasma saves lives. Segregation of plasma is not only senseless but is symbolic of a way of life to which we do not want our heroes to return.

GIVE BLOOD WITH A PROTEST

How?

On Labor Day give blood for our invasion forces, accompanied by an individual printed protest against blood segregation to be signed by you. This card will be handed to you as you enter to give your blood.

To secure an appointment Labor Day, write the Blood Donor Committee, 1212 Eighteenth Street NW., or call EX. 2995, EX. 0340, EX. 0657.

GIVE BLOOD WITH A PROTEST

When?

Labor Day, Monday, September 4, 1944, Preferably 11 a. m. to 1 p. m. and 4 to 5:30 p. m.

Attend mass meeting, 12 noon, Labor Day, on the steps of Acacia Building, Blood Donor Center.

Where?

Red Cross Blood Donor Center, Acacia Building, 51 Louisiana Avenue NW.

Sponsored by: District Council, United Federal Workers of America, C. I. O.; Washington Industrial Union Council; National

Negro Congress; N. A. A. C. P., Washington Chapter; Laborers District Council, A. F. of L. Give blood with a protest.

No one can tell what effect injecting the blood of another race into his body would have on a young white man, or his children.

These Communists that are led now by Sidney Hillman and his gang are offering here the greatest insult that has ever been hurled at those brave men from Indiana, from Mississippi, and from every other State in this Union, who are carrying our flag to victory.

While they are fighting our battles abroad, for God's sake let us not insult them here at home by forcing this damnable F. E. P. C. upon them, or their families, or by wiping out our segregation laws or preparing to inject the blood of other races into their veins.

The SPEAKER. The time of the gentleman from Mississippi has expired.

ESTATE OF THOMAS SHEA, DECEASED

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3695) for the relief of the estate of Thomas Shea, deceased, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "\$7,171.53" and insert "\$5,471.53."

Page 2, line 9, after "death", insert "": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, this is simply a reduction in the amount in a bill which has heretofore been considered by the House and passed unanimously?

Mr. McGEHEE. That is true.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(Mr. VURSELL asked and was given permission to extend his remarks in the RECORD.)

DUMBARTON AND THE PACIFIC

The SPEAKER. Under a previous order of the House, the gentleman from Montana [Mr. MANSFIELD] is recognized for 10 minutes.

Mr. MANSFIELD of Montana. Mr. Speaker, while the Battle of Europe is raging the representatives of Russia, Great Britain, and the United States are meeting at Dumbarton Oaks to discuss the foundations for a secure and lasting peace. When this particular Big Three is finished with its work, the Russian delegate, Andrei A. Gromyko, will step out and be replaced by Dr. V. K. Wellington Koo, representing China.

The Dumbarton Conference is undertaking a difficult but highly necessary task. It is to be sincerely hoped by all of us that petty differences and trivial disputes will not mar the grave and serious proceedings of those who represent the great powers because the hopes of this country—and of mankind—lie in the creation of machinery to establish a just and permanent peace.

This meeting must plan for peace on a world-wide scale and it must give equal consideration to Asia as well as to Europe. It will, I hope, lay the foundations for eventual peace in the Pacific now by coming to an agreement with Russia for the use of its far eastern bases by the United States at the earliest appropriate opportunity. I realize, Mr. Speaker, that the moment for such bases may not have yet arrived, but I am hopeful the European war will end soon thus freeing Russia from Hitler's armies and allowing her to assist us in our war against Japan.

As a matter of fact, Russia need not, at present, go so far as to declare war against Japan, but she could, as she is now doing in Europe, make shuttle bombing bases available in Siberia for our planes.

This possibility is becoming more feasible because of the fact that Japan has withdrawn large elements of the Kwantung for service in south and central China, thus weakening her forces in Manchukuo and along the Siberian frontier generally. Furthermore, the creation of shuttle-bombing bases would be of inestimable benefit to our hard-pressed allies, the Chinese, who have put up such a magnificent fight for the past 7 years.

There is a question mark in the minds of many Americans as to whether or not we will have to carry on the war in the Pacific alone. If such proves to be the case, the feeling of the American people may become so resentful that the cause of international cooperation will be harmed irreparably.

This is one subject well worth discussion at Dumbarton because it is tied up to the winning of the war in the shortest possible time and, by the same token, necessary to bring about international cooperation and thus insure a lasting peace.

Another matter of grave import is the future of the Japanese mandated islands. In January of this year Admiral Nimitz established a military government in the Marshalls and since that time other mandated islands in the Marianas and Carolines have come under our control.

One of the paragraphs of Nimitz's proclamation states:

Exercise of the powers of the Emperor of Japan shall be suspended during the period of military occupation.

Mr. Speaker, I do not feel that the proclamation goes far enough. The suspension of the Japanese Emperor's powers should not be limited only to the period of military occupation but forever. There must be no repetition of the action by the Allied and associated powers after the last war in giving Japan this mandate nor must there be any secret agreements as was the case in March 1917—before our entrance into the First World War—whereby Britain, France, and Russia, agreed to support Japan's claims to Micronesia—the later Japanese mandated area. These islands, while economically unimportant, are strategically necessary to us for our security and the sooner we make our aims in this respect plainly known the better it will be for us in the future. Our young men are today purchasing those islands with their lives. This time we must make sure there will not be another war and one of the ways of seeing to that in the Pacific is to make these islands American possessions and thus prevent any future possibility of another Pearl Harbor disaster.

Collectively the Japanese mandated islands cover only 840 square miles and have a population of 150,000 people. Their economic possibilities are limited primarily to the growing of sugar and the extraction of phosphate. Under the mandate, Japan was denied the right to fortify the islands or to build bases there. We have good reason to know now that Japan did fortify some of this area and we remember also that it was almost impossible to visit any islands since Japan acquired control of them.

In 1929 the United States requested that American destroyers be allowed to visit Kwajalein, Wotje, and four other ports, but the Japanese denied this request on the ground that there were no pilots and that the harbors were dangerous. In 1936 the United States again asked the Japanese Government to permit one of its destroyers to visit the mandated islands and at the same time we reminded Japan that her ships had been permitted to call at Alaskan ports. No reply was received to this request, but this war has given us the answer to our suspicions concerning the fortification of the mandates and the reason for the visits of Japanese ships—of all types—to Alaskan waters. It must also by now have convinced us of the weakness and needlessness of our appeasement policy toward our enemy.

After 1937 no foreign ships visited Micronesia and after 1939 no natives were permitted to leave the islands. In 1940–41 Japan appropriated \$1,417,000 for harbor works, air routes, and aircraft facilities. This, of course, needs to be added on to the appropriations made since 1919, and this, coupled with the secrecy attached to the government of the mandates, is real evidence that bases had been set up in the islands.

Japan's claim to the mandates should be completely nullified. She has never

owned them, but held them in trust only on the authority of the allied and associated powers and as a result of a secret agreement in 1917. The 100,000 Japanese, out of a total population of 150,000, must be sent back to Japan after the war and the economy of the islands placed in the hands of the native Kanakas and Chamorros. These islands are or will be ours by right of conquest as partial reparation for our losses, and most important of all, because they are absolutely necessary for our peace and security.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. RICHARDS (at the request of Mr. COLMER), for 3 weeks, on account of official business.

To Mr. DILWEG (at the request of Mr. GIBSON) for 3 days, on account of business.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 32 minutes p. m.) the House adjourned until tomorrow, Tuesday, August 29, 1944, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1779. A letter from the Director, Selective Service System, transmitting a report of the registrants deferred as of June 15, 1944, because of their employment in or under the Federal Government; to the Committee on Military Affairs.

1780. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1781. A letter from the Secretary of War, transmitting a list of all contracts in excess of \$150,000 undertaken during the fiscal year 1944; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DOUGHTON: Committee on Ways and Means. S. 2051. A bill to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes; with amendment (Rept. No. 1798). Referred to the Committee of the Whole House on the state of the Union.

Mr. CROSSER: Committee on Interstate and Foreign Commerce. H. R. 5196. A bill to amend section 22 of the Interstate Commerce Act by authorizing common carriers to grant reduced fares to personnel of armed services; with amendment (Rept. No. 1799). Referred to the Committee of the Whole House on the state of the Union.

Mr. COX: Committee on Rules. House Resolution 627. Resolution for the consideration of S. 2051, an act to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes; with-

House Calendar No. 305

78TH CONGRESS
2D SESSION

H. RES. 627

[Report No. 1800]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 28, 1944

Mr. Cox, from the Committee on Rules, reported the following resolution:
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the state of the Union
4 for the consideration of the bill S. 2051, an Act to amend
5 the Social Security Act, as amended, to provide a national
6 program for war mobilization and reconversion, and for
7 other purposes, and all points of order against said bill are
8 hereby waived. That after general debate, which shall be
9 confined to the bill and continue not to exceed two days
10 to be equally divided and controlled by the chairman and
11 ranking minority member of the Committee on Ways and
12 Means, the bill shall be read for amendment under the

1 five-minute rule. It shall be in order to consider without
2 the intervention of any point of order the substitute amend-
3 ment recommended by the Committee on Ways and Means
4 now in the bill, and such substitute for the purpose of amend-
5 ment shall be considered under the five-minute rule as an
6 original bill. At the conclusion of such consideration, the
7 Committee shall rise and report the bill to the House with
8 such amendments as may have been adopted, and any Mem-
9 ber may demand a separate vote in the House on any
10 of the amendments adopted in the Committee of the Whole
11 to the bill or committee substitute. The previous question
12 shall be considered as ordered on the bill and amendments
13 thereto to final passage, without intervening motion except
14 one motion to recommit.

House Calendar No. 305

78TH CONGRESS
2^D SESSION

H. RES. 627

[Report No. 1800]

RESOLUTION

For the consideration of S. 2051, an Act to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

August 28, 1944

Referred to the House Calendar and ordered to be printed

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

78th-2nd, No. 138

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued August 30, 1944, for actions of Tuesday, August 29, 1944)

(For staff of the Department only)

CONTENTS

Banking and currency.....4	Personnel.....1.3	Property management..2a
Cotton production.....8	Post-war planning.....1.9	Pulaski Memorial Day..2
Lend-lease.....7	Property disposal.....5	Veterans' benefits....6

HOUSE

1. POST-WAR PLANNING. Began debate on S. 2051, the demobilization-reconversion bill (pp. 7437-64). Reps. Celler, N. Y., (pp. 7440-2) and Wolverton, N. J., (p. 7442) criticized the bill and urged adoption of Rep. Dingell's version (H. R. 5227). Rep. Doughton, N. C., described the bill's provisions (pp. 7443-4). Rep. Reed, N. Y., criticized alleged attempts "to create the impression that there does not exist...a sound unemployment-compensation system, State controlled" (p. 7446). Rep. Cooper, Tenn., analyzed the differences between the Senate and House versions of this bill, and other members discussed this with him (pp. 7449-53). Rep. Jenkins, Ohio, discussed the Ways and Means Committee action on this bill, including the sections on unemployment compensation for Federal workers, advances to State unemployment funds, retraining and reemployment, and public works (pp. 7453-9). Rep. Dingell, Mich., criticized the committee's action on this bill and urged adoption of H.R. 5227 (pp. 7460-3).
2. PULASKI MEMORIAL DAY. Agreed to H. J. Res. 306, authorizing the President to issue a proclamation calling for observance of Oct. 11, 1944 as Gen. Pulaski Memorial Day (pp. 7435-6).
- 2a PROPERTY MANAGEMENT. Rep. Bender, Ohio, appointed a conferee on H. R. 5125, the surplus property disposal bill, vice Rep. Hoffman, Mich., resigned as a conferee (p. 7465).

SENATE

NOT IN SESSION. Next meeting Thurs., Aug. 31.

BILLS INTRODUCED

3. PERSONNEL. By Rep. Randolph, W. Va., H.R. 5257, to provide for health programs for Government employees. To Civil Service Committee. (p. 7471.)
4. BANKING AND CURRENCY. By Rep. Hays, Ark., H.R. 5258, to amend Sec. 5155 of the Revised Statutes, with respect to the establishment of branches by national banking associations. To Banking and Currency Committee. (p. 7471.)
5. PROPERTY DISPOSAL. By Rep. Hinshaw, H.R. 5247, to authorize the Federal Security Administrator to liquidate the property formerly used by the Civilian Conservation Corps. To Expenditures in the Executive Departments Committee. (p. 7471.)

ITEMS IN APPENDIX

6. VETERANS' BENEFITS. Extension of remarks of Rep. Bennett, Mich., including an outline of benefits for veterans (pp. A4099-5103).
7. LEND-LEASE. Rep. Woodruff, Mich., inserted a United Press release "F. D. Wants lend-Lease Aid Continued After Nazis' Defeat" (pp. A4088-9).
8. COTTON PRODUCTION; PARITY. Extension of remarks of Rep. Murray, Wis., including a Washington Post article criticizing Sen. Bankhead and Director Byrnes' request to southern leaders to urge producers to keep cotton off the market "until prices approximate parity" (pp. A4085-6).
9. POST-WAR AGRICULTURE. Rep. Murdock, Ariz., commended and inserted Judge Jones' statement before a House subcommittee on post-war agriculture, including soil-conservation programs, food production, and rural electrification (pp. A 4077-8).
Rep. Wicksrham, Okla., inserted Dr. Bennett's (Okla. A.&M. College) radio speech, "Oklahoma Agriculture Faces the Future" (pp. A4083-5).

- o -

For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 112, Administration Building. Arrangements may be made to be kept advised of developments on any particular bill.

- o -

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BREHM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein excerpts of a letter from a soldier.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from Newsweek magazine.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in three instances; in one to include a short article by the United Press; in the second, a short article by David Lawrence; and in the third, a short article by Frank C. Waldrop.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include four brief quotations.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WILLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include some material appearing in the Washington Post of August 28, 1944.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. TALBOT. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Connecticut [Mr. COMPTON] be permitted to extend his remarks in the RECORD and include an international peace plan. Mr. COMPTON received an estimate from the Public Printer that the cost of printing will be \$138. Notwithstanding that fact, I ask that he be permitted to include this article.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Michigan [Mr. HOFFMAN] be permitted to extend his remarks in the RECORD and to include an editorial from the August issue of the official publication of the Railroad Yardmasters of North American, Inc. I also ask unanimous consent that the gentleman from Oklahoma [Mr. RIZLEY] be permitted to extend his remarks in the RECORD and include two editorials.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in three instances, and to include a short article in each case.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HAYS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address which I recently delivered in Philadelphia.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(Mr. CELLER, Mr. BENNETT of Michigan, and Mr. REES of Kansas asked and were given permission to extend their remarks in the RECORD.)

PERMISSION TO ADDRESS THE HOUSE

Mr. GIBSON. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program and any special orders heretofore entered, I may be permitted to address the House for 35 minutes on the subject of Guam.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

WAR MOBILIZATION AND RECONVERSION BILL OF 1944

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 627 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2051, an act to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 days to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Ways and Means now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, I yield 10 minutes to the Resident Commissioner of the Philippines.

Mr. ROMULO. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes out of order.

The SPEAKER. Is there objection to the request of the Resident Commissioner of the Philippines?

There was no objection.

THE JONES ACT—FOUNDATION STONE OF BATAAN

Mr. ROMULO. Mr. Speaker, 28 years ago today upon this floor America gave its first pledge of freedom to the people of the Philippines.

On that day the Congress of the United States approved the Jones Act, promising independence to the subject Philippines in a covenant that is without parallel in the world's history.

It is not my purpose to review the Filipinos' fight against America during the early days of American occupation nor stress the fact that it took the United States 3½ years of actual fighting to

subdue the Philippines. We were not conquered, in the final analysis, by guns, but by the practical demonstration in the Philippines of America's concept of democracy. American teachers brought us new methods of education. Public health, road building, government training—such things were given us. Gradually our feeling toward America changed from resentment and suspicion to confidence and loyalty.

That loyalty was sealed by the passage of the Jones Act.

The long struggle for Philippine independence that was to culminate in the passage of the Jones Act was waged upon this floor. It was a strange struggle, carried on in amity and understanding, for only Americans could comprehend the democratic dreams of our Filipino leaders. There were two of these fiery young nationalists who began the fight for independence. Manuel Luis Quezon, *as* Resident Commissioner, on this floor set here the demands for the outposts of democracy in the Philippines, laid here the foundation of Bataan. But it was in the Philippines where the strategy of the whole fight was planned under Sergio Osmeña, Speaker of the Philippine Assembly, who, as the then leader of the Filipino people, gave purpose and direction to the peaceful campaign for freedom.

The First Philippine Assembly that convened on October 16, 1907, was the supreme test of our ability to govern ourselves. If it succeeded, more self-governing powers would be awarded the Filipinos. If it failed, it would mean a set-back in our slow march to independence. Those who made the Philippine Assembly a success were men of courage and vision, and our Philippine democracy became the monument to their struggle and their sacrifice. I would like to call their roll today; yet however long and glorious the list, we must come to one name at last, that of the new President of the Commonwealth of the Philippines, Sergio Osmeña. As speaker of that historic assembly, he united its various elements and steered its course, establishing for the first time the policy of Filipino collaboration with America. He led us then through a crucial period in our history, to emerge triumphant in the test that resulted in the recognition, through the Jones Act, of our capacity for self-government and freedom. He is leading us today, as President in exile, through darker days of travail, and the crowning service of this patient and self-effacing statesman will be to establish, after victory has been achieved, the Philippine Republic.

The Jones Act, approved on August 29, 1916, placed the legislative power in Filipino hands. It provided for the creation of the Philippine Senate, to be elected by the people and to be composed entirely of Filipinos. It gave the first glimpse of democracy to the benighted Far East, at our back, to millions of enslaved Asiatics. The American name of Jones carried to the Far East America's words that had hammered the year 1776 into history—*independence and equality*. It was a vested interest in the future

that must assure economic and spiritual decency for all men.

I would like to call attention to the fact that on exactly that same date 6 years before, on August 29, 1910, Japan, against the will of the Koreans, formally annexed the ancient Kingdom of Korea and ended its independent existence of 4,200 years.

What curious coincidence could better show the contrast in ideology between the United States and Japan. These two historical incidents reveal why Japan and America are now at war. With the annexation of Korea, Japan started on its bloodstained march of conquest that was to culminate in the sneak attack on Pearl Harbor, while America, with the Jones Act, set a course of freedom and democracy for all peoples.

The Jones Act was our victory. You let us win it upon this floor. It was a pledge made, and America has kept that pledge. In 1934 the Tydings-McDuffie Act set the independence date—for July 4, 1946. Recently, Congress passed Senate Joint Resolution 93, advancing the date of independence as soon as the Japanese invader is driven from Philippine soil and constitutional processes are restored in the Philippines.

We Filipinos, too, kept the pledge. You gave us the Jones Act. We gave you Bataan. For Bataan and Corregidor were dividends paid back out of our loyalty and our faith in America. On this day, 28 years ago, we of the Philippines were promised a place beside our fellow Americans as men equal and free. We earned that position in 1941, when we offered our lives beside Americans, in the blackest hour America has known.

Bataan, where Filipinos fought under the American flag to preserve democracy, was the ultimate outpost of freedom in the Far East.

Half the world lies between the foxholes of Bataan and the floor of Congress, and yet I cannot feel myself a stranger among the representatives of a people for whose flag and ideals my countrymen did not hesitate to fight and die. I speak for them, a nation of prisoners, their tongues stopped with fear or with death, because they cast their lot with Americans, against their "fellow Orientals" the Japanese.

I speak for them proudly, 17,000,000 of them, with new hope, for at last we see the way clear back to the Philippines, and we dare speak of victory.

We know now there will be victory, and palms such as are laid on the graves of Arlington will be placed on the nameless dust of Bataan. On that bloodstained Philippine peninsula Americans and Filipinos must meet over a common grave where lie the bodies of their sons. We will remember then, after victory, how we valued them, those American and Filipino boys who died together for democracy. In our eyes they were beautiful, they were the hope of our lives, and our hearts will break again over their shared dust.

We will meet, my fellow Americans, over that common grave.

Out of that grave, a dream.

Others have died for that dream of world recognition of the ordinary civilities and the divine rights of man.

A Jew named Christ carried that dream, via Golgotha, to a hill that is known as Calvary.

An American, Abraham Lincoln, carried that dream from a log cabin to the White House. He was assassinated, here in Washington.

The Filipino Manuel Quezon died for that dream, after taking his last stand for democracy in the tunnel on Corregidor.

And a boy named José, from Manila, and another boy named Joe, from Missouri, died for the same dream on Bataan, and their commingled dust is holy earth.

How can we sift that dust by race for separate honor. Both were young. Both loved life. But they hated autocracy more than they loved living, and they share one grave on Bataan.

Out of that grave, a dream. As Edgar Lee Masters said, "Bloom forever, O Republic, from the dust of thy bosom."

Mr. COX. Mr. Speaker, the pending resolution makes in order the consideration of the bill, S. 2051, commonly known as the George bill, amending the Social Security Act. It is an open rule. It is the kind of rule which the Committee on Ways and Means wanted. They wanted it in order to make possible the consideration of all amendments germane to the bill. Mr. Speaker a review of the effort to obtain legislation on this subject must impress one with the thought that when the Committee on Ways and Means wrote this bill they did so with their eyes on the flag. It reveals a realistic understanding of the problems that confront the country. Mr. Speaker, the disposition of members seems to be to hurry on to the consideration of the bill. It is thought that we might close general debate during the day. I know of no opposition to the rule and see no reason why the full time on the rule should be consumed. However, the gentleman from New York will use his time as he sees fit.

Mr. FISH. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I desire to take this opportunity to commend the Commissioner from the Philippines, Colonel ROMULO, for his highly patriotic and interesting address before the House. It came directly from his heart and from information which he had first hand, and which was not available to anyone else in the country. I hope he will speak often before this House and furnish us with first-hand information about the conditions in the Philippines. Mr. Speaker, this is the last phase of the major post-war policy-planning measures. Some 6 months ago the House determined to appoint a Post-war Economic Policy and Planning Committee to deal with these tremendously vital and all-important problems that will confront this country after the war is ended, to try to keep our people employed at a high standard of wages and living; the most far reaching and the most important economic and industrial issue that has possibly ever confronted our country.

What we say here is of little significance. What we do here is vital to the destiny of the greatest Nation in the history of the world. We are still a young country and our destiny lies before us. We know we are on the march to victory, that there is nothing that can stop us from all-out victory in Europe and in Asia. We are in the process now of winning that war. We have made the contributions and the effort, and our soldiers on the battlefields and our pilots in the air and our ships upon the seas are now winning that war. Every day we become stronger and stronger as our enemies get weaker and weaker. I do not know whether we will have an all-out and final victory within 30 days in Europe or 90 days or possibly even 6 months, but I think we are all agreed, Republicans and Democrats, that we will win the war in Europe in the very near future and win it in the far Pacific in another year. So that part of our great war effort in which we are all united is to that extent settled as we march on to victory.

The second great problem which confronts America is the winning of the peace. That is far more difficult, and until we know the peace aims and the war aims of Soviet Russia and the British Empire we are in no position to make any commitments for the United States of America. We are united in favor of a just and lasting and enduring peace, a peace that will not only last for 20 or 25 years, but a peace that will last for generations, and, let us hope, even for 100 years. But to be a lasting peace, it must be a just peace. That also, I hope, is in the process of being solved.

We now come to possibly the most difficult of all the problems confronting America. The Congress has done its duty and done it well, regardless of partisanship. We have passed and enacted into law the first phase—that providing for the termination of contracts. That is the law of the land at the present time. We have passed in both Houses a bill to dispose of surplus war property and plants, and that bill is now in conference between both Houses. This is the final major phase, and the third part of our greatest and most difficult problem.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman.

Mr. MURDOCK. I want to confirm what the gentleman has said about the splendid work which the Congress has done. I feel that the Committee on Post-war Economic Policy and Planning, of which the gentleman is a member, has been instrumental in that work. I understood the gentleman to say earlier in his remarks that this was the final phase of these great problems.

Mr. FISH. That is, for this session of Congress.

Mr. MURDOCK. That is, for this session of Congress. I am glad to get that modification of the gentleman's statement.

Mr. FISH. I am glad that the gentleman corrected me. We have many subcommittees still working on post-war problems. There are subcommittees on public works and agriculture and mining

and so forth of the Special House Committee on Post-war Economic Policy and Planning. But for this session of Congress we are now in the final stages on the pending bill, which I will not discuss because that is the prerogative of the Committee on Ways and Means. But I do want to discuss the general proposition of what we are trying to do and impress upon both sides the importance of this legislation as it affects the destiny of America, the richest and freest Nation in the world and the country that has the highest standard of living of any nation in 5,000 years of civilization.

I take this occasion to commend Mr. Bernard M. Baruch and Mr. John Hancock, the originators of much of this legislation for their admirable and constructive report to the Congress. Naturally I am proud of being the ranking minority member of the Post-war Economic Policy and Planning Committee so ably headed by the gentleman from Mississippi, Representative WILLIAM M. COLMER, which has formulated and recommended most of the post-war legislation. Mr. Marior B. Folsom, the director of the staff and treasurer of the Eastman Kodak Co., deserves a great deal of the credit for his untiring, unselfish, and able contribution in the shaping of the legislation and in writing the reports.

Mr. Speaker, it is of great importance what we do here, that we use our best efforts to preserve our American institutions and free American enterprise, expanding it so as to take care of some 20,000,000 wage earners, 11,000,000 who will come back from our armed forces and another 11,000,000 who will be demobilized from the war factories. We are attempting here by legislation to establish the ground work and set the foundation to expand free American enterprise so that it will take care of 20,000,000 people in time of peace, who are now being employed in our war effort. If we fail, if the Congress fails, if free enterprise fails, then we are apt to have chaotic conditions in this country. We may even lose our American institutions. We are apt to have free enterprise undermined and destroyed, and it might mean the advent of some form of totalitarianism or communism in America. That is why it is so important in legislating here today that we legislate wisely and constructively and make it possible for us to preserve free American enterprise.

Mr. Speaker, I am naturally an optimist. I do not know how to sell America short. I believe we can solve this tremendous, this gigantic problem and provide employment for American citizens; but to do so I think we ought to face the facts; and not live in a fool's paradise by holding out promises that the Congress can assure employment by itself. Therefore, I am going to talk generally and not specifically on the pending bill and present a few figures. I do so in the spirit of one who believes these problems can be solved and will be solved, and that our free institutions will and must be preserved.

For instance, our national income today is \$157,000,000,000 per annum. There are those in this House who believe, and I hope they have some foundation for

that belief, that after this war our income will continue to be around \$130,000,000,000. If that is so, if we in Congress and with the help of business and the administration, can assure that, our post-war problems are solved. But I know of no assurance that our national income will be \$130,000,000,000 after this war is over. We never reached that amount in the history of America. Back in 1929, in the boom days, our national income reached a maximum of \$90,000,000,000.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

In 1938 and 1939, just before World War No. 2, our national income was only \$67,000,000,000. Now people speak glibly and almost with assurance, that we are about to guarantee a national income of \$130,000,000,000 or twice the pre-war figure. There are some facts that I want to present to the Congress, because I do not want the Post-war Economic Policy and Planning Committee, which has given 6 months of its time trying to solve these vital post-war problems and to at least write out a program that will encourage free American enterprise to provide large-scale employment, to be blamed in the future. I do not want to go on record and have anybody think that our committee is guaranteeing an income of \$130,000,000,000, a year after this war.

According to testimony presented before the Post-war Economic Policy and Planning Committee, we have the equivalent of 5,800,000 people receiving overtime wages. You take away those overtime wages in war industry, and you lose the equivalent of 5,800,000 individuals employed.

We have 5,200,000 old men, youngsters, and extra women who are not employed normally, who are today working in war industries and receiving big pay. Those people will probably all lose their jobs. In addition to that you have 11,000,000 returning soldiers—a huge and gigantic problem of demobilization to be solved; and converting from war to peace time production. Therefore, the facts must be presented to the American people. The American people are entitled to know the facts, and so is Congress before we finish with the major post-war legislation.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield for a question.

Mr. CRAWFORD. I think it would be well for the gentleman to put into these figures right here our total working force of 51,000,000 people, made up of 34,000,000 males and 17,000,000 females.

Mr. FISH. The figures that have been given to us, as to the number of wage earners at the present date, is 64,000,000. That includes 11,000,000 in our armed forces. Sixty-four million people. The most we ever employed before the war was 48,000,000.

It is difficult for me to see how we can jump right ahead after this gigantic war, with its huge expenditures and enormous national debt, up above the maximum peacetime peak of 48,000,000. We now

have 64,000,000 employed in the midst of the war. I do not want to hold out any false promises to the American people or have the Congress hold out any false promises that we can do certain things overnight, and put 64,000,000 people to work and keep them at work, or establish a national annual income of \$130,000,000,000. If we do that and we fail, then we will be blamed and the Congress will be blamed for making promises it could not fulfill.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SHORT. Does not the gentleman think it is wise to remind the American people that they themselves are the government, and that the government can never give the people anything that it does not take away from them?

Mr. FISH. Yes; the gentleman is quite correct. You might as well remind the people in advance, who are receiving these enormous war wages and overtime, that after the war is over that will all disappear and we go back to normal American standards of wages and living, which are the highest of any country in the history of the world. That we hope to continue.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes out of order.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I feel I have been somewhat slighted by the Political Action Committee of the C. I. O. I read in the newspapers that my opponent, a certain Mr. Bennett, now candidate for Congress on the Democratic ticket where he was unopposed, who was also my opponent in the recent Republican primary, was only given \$2,000 by the Political Action Committee, whereas the opponent of my distinguished friend from Georgia, [Mr. Cox] received \$4,500. I feel somewhat slighted. The gentleman from New York, Mr. Clayton Powell, seeking the nomination for Congress from the Harlem district, received \$5,000 from the Political Action Committee. I think I have a right to feel somewhat slighted in that my opponent only received \$2,000. But I want to serve notice upon all these people from the outside who desire to contribute to my opponent, or who are opposed to me and want to send money into my district, that it is very acceptable.

We do not object if the P. A. C. wants to send instead of \$2,000, \$200,000 into my district; we will welcome it. My people can take care of it very well. I consider myself a benefactor to the district. Two years ago they spent \$250,000 in my district in an attempt to defeat me. They can spend more as far as I am concerned this year and I will win anyhow. By attracting these slush funds into the district I become a benefactor to the newspapers, the radio, the printers, the addressers, the post office, and the people generally in my district.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. FISH. Mr. Speaker, I yield myself 1 more minute.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SHORT. If you have any of that lettuce left over send it down to the Ozarks.

Mr. FISH. No; you will have to attract your own lettuce. In my district our people are quite accustomed to these radical and communistic slush funds and I am getting the credit for being a big benefactor by attracting these campaign funds into the district.

But I want to say to the P. A. C., to the Communists, to the American Labor Party, or to any other group outside of my district that the people in my district, Republicans and Democrats, are not for sale. The real issue of my district is communism versus Americanism.

The national weekly newspaper Labor stated a few weeks ago:

The Reds made their most spectacular drive against FISH. He has a good labor record and was subjected to vicious smearing attacks. The Communist element which dominates the C. I. O. political activities led the drive against FISH.

This is the statement of one of the largest and most important labor papers.

I believe it is true that I am loved for the enemies I have made—the Communists, the pinks, the P. A. C., the left-wingers, crackpot radicals, the Daily Worker, PM, both the New York Post and Washington Post, Drew Pearson and Walter Winchell. I have always stood for a square deal for labor and for social and industrial justice within the confines of the Constitution. I expect a big vote from wage earners, including the American Federation of Labor, the Railroad Brotherhoods, and the rank and file of the C. I. O.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. COX. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I want to congratulate the members of the Rules Committee for bringing in a liberal rule which will permit all amendments of a liberal character. I heard with interest what my dear friend, the gentleman from Georgia [Mr. Cox], said about the members of the Ways and Means Committee keeping their eye on the flag. I wish to add when they took the George bill and watered it almost to the vanishing point as far as real relief was concerned, they may have kept their eye on the flag. They may have kept their eye on the flag, I am quite sure they did that, but they also kept their eye on property rights, and I say with all humility that they should have focused some attention upon human rights.

We Members of Congress have a great responsibility to work out a meaningful reconversion. To give any approval to the George bill watered as it came out of the Ways and Means Committee, I say humbly, would be to abdicate our re-

sponsibility to the American people. We ask for wool and we get shoddy from the Ways and Means Committee; we ask for a realistic approach to reconversion and all the Ways and Means Committee does is to lead us and the American people up a blind alley. We ask for something genuine and we get ersatz.

An opportunity will be presented I hope to the gentleman from Michigan [Mr. DINGELL] to offer as a substitute to the Ways and Means Committee version of the George bill, H. R. 5227, which indeed highlights the rights of the toiling millions in this country. That substitute bill, incidentally, has the undivided support of the American Federation of Labor, the C. I. O., and the railroad brotherhoods, and I urgently ask the Members of this House to pay strict attention to the substitute and to be advised that what few crumbs of comfort were left in the George bill were swept aside unfortunately by the Ways and Means Committee. This Dingell substitute is a temporary measure, it is not permanent legislation. It seeks to emphasize and highlight the need for the creation of jobs, the creation of at least 10 to 11 million more jobs for the returning veterans as well as additional jobs for those suffering cut-backs and contract termination. Its object is to keep up purchasing power.

Yesterday, the Republicans caucused in support of the Ways and Means Committee's version of the George reconversion bill. Under the false banner of States' rights, Congress is asked to accept a gold brick.

The blame for this less than half-hearted attempt to create jobs for returning veterans and civilians suffering cut-back and war contract terminations, this less than half-hearted approach to continuing the purchasing power of the Nation by giving compensation allowances in the case of unemployment must be laid at the door of the Republican Party and the Democratic bourbons of the House.

Liberals in and out of the House must be aroused to the end that appropriate amendments can successfully be made to this bill so as to make the George bill, as diluted by the Ways and Means Committee, a constructive measure of real relief.

The Ways and Means Committee even went so far as to strike from the George bill the very objectives of the act which were to "facilitate maximum war production during the war and to expedite the transition from war to peace, to achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of transition from war to peace and thereafter to provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives."

By striking out this language it is clearly shown that the Ways and Means Committee version of the bill is a negation of these objectives.

DIRECTOR OF MOBILIZATION AND RECONVERSION

The Director of War Mobilization and Reconversion is presented in this new

version of the bill as a mere figment of the imagination. He has no power of any consequence. There is no unification so that all the war agencies will be sprawling all over the lot in all directions. The War Manpower Commission, the Social Security group, the Smaller War Plants Corporation, the War Production Board, the Office of Price Administration, the Foreign Economic Administration, the Defense Plant Corporation, and all the other war agencies are permitted to issue their directives independent of the Office of War Mobilization and Reconversion. There is no centralization of authority. There is no opportunity granted to the Director to remove bottlenecks. If he acts at all, it will be only to contribute to the confusion.

It is essential to get an amendment giving strongest powers to this Director with the right to cancel out directives issued by any of the war agencies that impede the carrying out of the objectives aforesaid and which objectives were stricken out by the Ways and Means Committee. It avails us naught to put in as Director a man with guts and courage when we give him a paper sword. All he can do is to tilt at windmills.

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

The bill presented by the Ways and Means Committee leaves untouched compensation benefits to the vast army of Federal employees. You have the very anomalous situation where a group of men working at the same Federal desk receiving the same Federal salary will be accorded, after dismissal, compensation in accordance with 48 different laws of 48 different States.

Senator GEORGE, of Georgia, stated in the Senate that 40 percent of Federal employees will be unemployed following the termination of hostilities. These will include carpenters, riveters, welders, toolmakers, and so forth, presently at work in our navy yards, arsenals, armories, and in other federally owned plants. There are about 3,500,000 Federal employees. Forty percent of same means over 1,400,000 will with war's cessation lose jobs.

UNEMPLOYMENT COMPENSATION FOR MERCHANT SEAMEN

Merchant seamen who have had their ships torpedoed from under them many times will not be given a vestige of relief as far as compensation allowance is concerned by the new bill.

TRANSPORTATION FOR MIGRATORY WORKERS

The George bill contained a provision granting \$200 to migratory workers for transportation costs for their families and themselves from the place of employment to home. This is out the window.

NATIONAL ADVISORY COMMITTEE

The new version of the bill cancels out the setting up of an advisory committee consisting of representatives of labor, industry, agriculture, and the public. Why the Ways and Means Committee is afraid of good, sound advice from representative national groups is quite beyond comprehension.

DURATION OF THE ACT

The Ways and Means Committee version provides for benefits that can be placed in a tiny capsule, and to rub more salt into the wounds, the duration of payments is to be for 1 year. The George bill provides for a 2-year duration for benefit payments. It took us more than 2 years for mobilization. It should take 2 years for demobilization. The job will be more difficult. Remember, we must create 10,000,000 more jobs for veterans. That task is herculean, but the Ways and Means Committee would give us a Lilliputian to do a man-sized job.

UNITED STATES UNEMPLOYMENT SERVICE

Over and beyond the George bill, it is quite discernible for him who wishes to see that the United States Employment Service must be continued as a national operating system of public employment offices for a period of 2 years after the termination of hostilities. The George bill and the Ways and Means Committee bill provide for 48 separate State employment systems and additional separate employment systems for the Territories—52 in all.

UNEMPLOYMENT BENEFITS

Both the George bill and the Ways and Means Committee version maintain the status quo, leaving the benefit rates to the various States. This, of course, is under the worn-out shibboleth of "States' rights."

The advocates of States' rights profane those rights as often as not. They are the enemies, not the friends of States' rights. They mean to uphold the strong as against the weak and to maintain the status quo as against progress.

There should be a uniform system of compensation benefits. The national maximum of unemployment benefits would be \$25 a week for civilians with three dependents and \$8 a week minimum. Alabama at present provides a minimum of \$2 a week and several of the other States \$3 a week. The present maximum range is from \$15 a week to \$22 a week—Connecticut. Under the present conditions which will be frozen by the bill as presented to the House, liberal States will be penalized. Migratory workers will refuse to go back to the States of their origin or residence if the State in which they are employed presently offers more liberal benefits. Why should a man go back to Alabama, Mississippi, or Louisiana, or any other State where compensation benefits are lower than in the State in which he is temporarily employed?

VETERANS' BENEFITS

Veterans are entitled to greater benefits than are civilian war workers. They have gone through the harrowing experience of battle. They have been separated from home and deprived of opportunity for economic advancement. The G. I. bill of rights must be amended to increase veterans' benefits from the \$20 a week to a maximum of \$35 a week for a veteran with three dependents. The bill as presented does not offer such additional compensation to veterans.

DURATION OF BENEFITS

There should be a duration of benefits for 52 weeks within a period of 2 years. Under the present scheme the duration of benefit payments is left entirely to the various State laws. Twenty-eight States limit the duration of benefits to 16 weeks or less.

THE COST

We hear much loose talk about the cost of a reconversion bill of the type which I advocate. We hear much loose talk about the present debt of \$210,000,000,000, but the Republicans of the House and ultraconservatives fail to indicate that that is the gross debt. There must be subtracted the following:

First. Twenty billion dollars of cash on hand which is deposited in banks and which is owned by the Treasury.

Second. Seventy-five billion dollars' worth of war plants, equipment, and supplies.

Third. Thirty billion dollars in assets owned by Government corporations and credit Government agencies. These are no mere intra-agency bookkeeping entries. They are real assets.

This leaves a temporary national debt of \$85,000,000,000.

In addition, there must be considered the reserves which the Government has for claims of corporations for return of excess-profits tax in the sum of \$28,000,000,000. In all likelihood only one-half of this reserve will be drawn upon, leaving a possible ten to fourteen billion dollars more to subtract from the gross debt. There are, in addition, some \$5,000,000,000 of surplus in the social-security fund for unemployment-compensation purposes. By the end of the war the surplus will be \$7,000,000,000. This does not belong to the Government. This, in part, belongs to the workers and those who have contributed to unemployment compensation.

The cost of the scheme I have outlined cannot be adequately envisaged. Nobody knows the number of unemployed we will have. In the Senate debate, Senators forecast a cost that ran from five to ten billions, but it must be remembered that we are not going to fall into the doldrums immediately after the war. The demand for civilian goods here and abroad will be tremendous. I cannot conceive of the cost of unemployed reaching the proportions of ten billions. That is ridiculous.

Be it remembered if we do not pay unemployment benefits, the States will have to give relief allotments. The taxpayer will pay the cost in the end. Furthermore, this period of relief is only temporary. It is for the duration of only 2 years.

But over and beyond all this, we must prepare for a minimum of unemployment. New jobs cannot be created unless we have purchasing power. Unemployment-compensation benefits, in a measure, upholds that purchasing power. Our purchasing power and industries mean about a present national income of \$150,000,000,000, with 11,000,000 of our best men in the armed forces. A higher figure than \$150,000,000,000 of

purchasing power and production must be developed.

Throughout the Ways and Means Committee version of the George bill we find high-lighted property rights. Human rights are blacked out. The rights of working men and women were least considered.

Mr. COX. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, supplementing what my colleague the gentleman from New York said with regard to offering a substitute for the so-called George bill, I wish to say for the benefit of the membership that other desirable amendments will be offered on the floor with regard to unemployment compensation and various other important matters in which the membership of the House on both sides is interested. I merely offer that suggestion so that Members may know what to anticipate.

Mr. Speaker, I yield back the balance of my time.

Mr. FISH. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. WOLVERTON] a very able member of the Committee on Post-war Economic Policy and Planning.

Mr. WOLVERTON of New Jersey. Mr. Speaker, in the first place I want to express appreciation to the Rules Committee on behalf of those who are opposed to the bill as reported by the Ways and Means Committee in that the Rules Committee has granted an open rule that makes it possible for those who are not in accord with the Ways and Means Committee bill to bring before this House a bill which they think will more readily and effectively solve the problems with which we are faced.

Mr. Speaker, there are two major tasks which face us on the home front at the present time. One is the need for providing more tanks, trucks, guns, tires, and ships to enable our armed forces to deal the final, crushing blow in the great war of liberation now proceeding so well in Europe and the Pacific. The other task is one for which we must prepare with all the wisdom and ingenuity at our command so that we may not have to suffer the scourge of unemployment which ravaged our Nation in the decade prior to the war. I speak of the task of the reconversion of our great industrial establishments from the production of war materials to the production of civilian goods.

Mr. Speaker, this war has proven that American skill and ingenuity can bring about full production and full utilization of our natural resources so that every person who wishes to work can find employment. Our great national patriotic effort has lifted the income level to the highest point in our history as a nation. Unemployment for those able and willing to work is practically nonexistent. Our present labor forces, according to the figures furnished by the Post-war Economic and Policy Planning Committee, on which I have the honor to serve, amount to 63,000,000 persons. In 1940 the total labor force was 54,000,000, of whom 46,000,000 were employed and 8,000,000 unemployed.

Although most of the temporary workers will return to their homes, retire, or go back to school after the war, we will need to provide from 8,000,000 to 10,000,000 more jobs than the peacetime year of 1940, or an increase of 20 percent. As we said in our report submitted to your honorable body on August 14, "The failure to develop and apply an effective program would mean large-scale unemployment."

The paramount duty before the Congress at this time is to enact legislation which will enable all of us, industry, labor, agriculture, and Government to plan together in such a way as to guarantee full production and employment for many years to come. The American people know that we have been able to achieve full employment in order to prepare for war. They have every right to expect that we can be equally successful in achieving full production and employment in peace time.

The needs of the American people are tremendous—housing, electrical appliances, furniture, shoes, clothing, new roads, bridges, and other things too numerous to mention must be made available. I know that if we plan intelligently there need be only the barest minimum unemployment during the transition from wartime production to peacetime production.

We must, however, make realistic provision for those workers who will necessarily be idle while their plants are being converted from production of war materials to the production of civilian goods. Purchasing power is the key to full production and employment and a high level of national income. Without adequate interim unemployment benefits the workers' purchasing power declines and those industries producing for their needs must therefore decline also. Only a uniform, Federal standard of interim unemployment benefits can guarantee the maintenance of consumer purchasing power sufficient to keep the wheels of industry turning. This great national necessity—the maintenance of purchasing power in the reconversion period—can only be met by action on a national scale.

I must emphatically disagree with the Ways and Means Committee in their evident contention that we can leave the tremendous problem of war mobilization and reconversion to chance and that we must not do everything within our power to prevent a major depression.

I join in the opinion of the dissenting members of the Ways and Means Committee in their statement that—

The modest objectives of the bill as presented by the Senate have been so further curtailed, reduced, and emasculated that section 101 of the bill, stating the objectives of the Congress, is eliminated by the committee. In other words, the bill has no objectives that are even worth mentioning.

Let me cite here the objectives of the bill in the form in which it passed the Senate:

(a) To facilitate maximum war production during the war and to expedite the transition from war to peace;

(b) To achieve full employment, rising standards of living, and effective utilization

of the Nation's resources during the period of transition from war to peace, and thereafter; and

(c) To provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

The failure to even mention these objectives in the bill as reported by the Ways and Means Committee indicates that the majority of the committee does not have any faith in America's ability to accomplish these ends. Furthermore, the amendments which strip the Office of War Mobilization of its essential authority to plan and coordinate the work of existing Federal agencies make the Office of War Mobilization nothing but a hollow shell. There is no purpose in setting up such an Office unless it is given full and complete authority to coordinate effectively the activities of the agencies of government handling the problems arising out of the transition from war to peace.

Mr. Speaker, I urge that the bill as reported by the majority of the Ways and Means Committee be amended so that the objectives of the act are once again set forth and the Congress thereby let the American people know that it is not afraid to plan for jobs and full production.

I further urge that the other provisions contained in the so-called Dingell bill—H. R. 5227—which will be offered as a substitute, be adopted. The Dingell bill takes into consideration the human element as well as the economic. Without adequate interim compensation to the unemployed in the transition period we will have distress and our economic structure will be imperiled. We must not let such a condition overtake us. The Dingell bill has been carefully drawn. It has the support of the A. F. of L., C. I. O., and all the railroad brotherhoods.

It deserves the support of the membership of this House.

Mr. COX. Mr. Speaker, I yield to the gentleman from New York [Mr. BLOOM].

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two separate statements, one from Mr. Stettinius and the other from the State Department.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FISH. Mr. Speaker, I yield the balance of the time on this side to the distinguished gentleman from Minnesota [Mr. KNUTSON], the next chairman of the Ways and Means Committee.

Mr. KNUTSON. Mr. Speaker, may I say to my distinguished colleague that the future is in the lap of the gods and much depends upon the intelligence of the American people.

Mr. Speaker, I just do not like the assaults that have been made by the two preceding speakers upon the Ways and Means Committee. Of course, I can appreciate that both of the speakers come

from districts that are overwhelmingly labor, but that does not justify their making unfair attacks upon our committee.

Mr. Speaker, your committee has given this subject careful study. Much has been said of the measure that came over here from the Senate which was a compromise with a measure that had been prepared by a man named Schimmel, a C. I. O. representative. A compromise is rarely good or satisfactory, so the Committee on Ways and Means proceeded to further perfect the legislation and, in my opinion, we have succeeded in doing so.

I do not see how anyone can oppose this measure if he votes according to his judgment and the dictates of his conscience.

Mr. Speaker, the time has come to cure those who are afflicted with that very serious malady known as the gimmies. That this bill proposes to do. There is not a State in the Union but that is better fixed financially than is the Federal Government, which is hovering on the verge of bankruptcy; yet, regardless of the grave condition of the Federal Treasury, there are those on the floor of this House who would pile even greater burdens, I may say crushing burdens, upon our taxpayers. I cannot understand that unless it is inspired by political expediency. Political expediency—how many crimes are committed in thy name?

This bill is not perfect but it is a good measure. We propose in this bill to not duplicate existing law. There is not a State in the Union but that has machinery for rehabilitating and retraining those now engaged in war work. The time has come to cut out duplication instead of adding to it. I hope there will not be a single vote on the floor of this House against the pending rule.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2051, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. DOUGHTON. Mr. Chairman, I yield myself 15 minutes and ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Chairman, if the Members will permit, I prefer to complete my main statement without interruption. However, I will not decline

to yield if some Member desires to ask a question.

The Committee on Ways and Means spent the past 2 weeks in intensive study of reconversion legislation. I take this opportunity of expressing my appreciation and thanks to both the majority and minority members of that committee for the splendid cooperation the chairman has had in the preparation of this bill. There has not been the slightest evidence of politics in the preparation of this legislation. I trust that the Members have read the committee report, as it is rather elaborate and explains fully the provisions of the bill. If you have done so, I believe that you will feel that the committee has at least made an honest, earnest, and diligent effort to prepare the best legislation possible at this time, under existing circumstances, for the consideration of the House.

I shall not engage in, and neither shall I reply to the biting criticism that has been made in some of the statements indulged in today with respect to the work of the membership of our committee. You would think, from some of the statements that have been made, that those who made the statements enjoy or possess a monopoly on wisdom, knowledge, and understanding.

Mr. KNUTSON. And friendship for labor.

Mr. DOUGHTON. In a good cause it is never necessary to indulge in severe criticism of those who take an opposite view of the matter that is to be considered and determined. We spent 2 weeks in intensive study of this subject and in the preparation of this bill. The subject is one that is not easy of solution. Naturally there have been differences of opinion. So far as I know, there is no minority report, but there are some dissenting views which I will perhaps briefly refer to later. But the bill reported by the majority of the committee represents the best efforts of the membership of that committee, especially in view of the limitation under which we were working. In other words, this bill now represents what the committee itself felt could properly, wisely, and safely be done at this time. I see no need of rushed, hasty, and ill-considered legislation. In my judgment, to proceed on that basis, might cause more trouble than we would cure. So I see no cause for the criticism that has been made. In the dissenting views complaint is made that hearings were not granted. I received no requests for public hearings from any member of the committee. Certainly no motion was made for public hearings.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. EBERHARTER. The gentleman will remember that in executive session held by the committee a motion was made to call a witness and the motion was voted down.

Mr. DOUGHTON. I asked the clerk if any such motion was made. The minutes do not disclose a motion to have public hearings, and I personally have no recollection of such a motion.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER. I think what the gentleman from Pennsylvania refers to is the fact that a motion was made to call one man before the committee in executive session, but I think the chairman is correct that there was no motion made for public hearings.

Mr. REED of New York. That is my understanding of it, Mr. Chairman.

Mr. DOUGHTON. I think the RECORD should show that, and I think my distinguished friend from Pennsylvania is in error. The fact is, no member of the committee ever requested it, so far as I know. Does the gentleman state that a motion was made to conduct public hearings and that it was voted down?

Mr. EBERHARTER. The motion was not put in exactly that form, I will say to the gentleman.

Mr. DOUGHTON. Did the gentleman from Pennsylvania make a motion to conduct public hearings?

Mr. EBERHARTER. I have already said, Mr. Chairman, that a motion was made to call a witness. Of course, no motion was made to hold extensive hearings; I agree with the gentleman.

Mr. DOUGHTON. No motion was made for public hearings.

Mr. EBERHARTER. The point I wish to make is this: If a motion to call a particularly important witness could not even prevail, what chance would there be for a motion for extensive public hearings? That is my point.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KNUTSON. I was not present when the committee began consideration of the bill, but I was given a full report of what had transpired prior to my arrival. The fact of the matter is that the gentleman moved to hear Mr. Byrnes, and Mr. Byrnes was heard. He also moved to hear Director Hines, but Director Hines could not come and wrote a letter in place of a personal appearance.

Mr. DOUGHTON. The gentleman from Pennsylvania well knows that there was no disposition on the part of the committee to prevent public hearings if the majority of the committee thought it was necessary. I repeat, so far as I know, no motion was made to that effect.

Mr. EBERHARTER. Will the gentleman yield further in order that I may make a correction insofar as the statement of the gentleman from Minnesota is concerned?

Mr. DOUGHTON. I yield.

Mr. EBERHARTER. In answer to the gentleman from Minnesota I will say that I did not make any motion with respect to calling either Justice Byrnes or General Hines. I want the RECORD corrected in that respect.

Mr. KNUTSON. I have since learned that that is true, but the motion was made by one of the gentleman's group.

Mr. EBERHARTER. I do not think that is correct, if the gentleman will permit me, because there was no formal motion made to that effect, and I think the

chairman of the committee will bear me out in that respect.

Mr. KNUTSON. Then the gentleman has no leg to stand on if no motion was made to that effect.

Mr. DOUGHTON. Mr. Chairman, this bill represents what the committee felt could properly, wisely, and safely be done at this time. It should not be considered that this action of the committee closes the door for possible future consideration in the light of later information, events, and conditions.

In that connection I will say that it was the opinion of the committee that public hearings were not feasible, in view of the desire of the House to bring this bill to the floor after the passage of the surplus property bill.

What opportunity did the committee have to get information? What information did it have in the preparation of this bill? The opponents of the bill would make you believe that we proceeded blindly, without any basis for our considerations or the conclusions we reached. You will recall also that both the House and Senate Post-war Planning Committees held extensive hearings covering the general subject, and copies of the hearings were available for consultation. In addition, the committee carefully considered the report of the House Post-war Planning Committee on the Office of War Mobilization and Reconversion, as well as the reports of the Senate Finance Committee and the Senate Post-war Planning Committee on Changes in the Unemployment Compensation System. The committee also conferred with Justice Byrnes, the Director of the Office of War Mobilization, and had the benefit of discussing with him his experience thus far and receiving such recommendations as he cared to make.

The need for coordination of governmental activities in the field of reconversion is emphasized by the rapid progress of the war in Europe and the problems that have already arisen in the recent cut-backs in war production. I am sure that the Members are fully aware of the situation, and I will not now take the time of the Committee to go into details which are fully covered in the splendid report of the House Post-war Planning Committee. We had access to and studied that report as a basis for our action.

The bill as reported by the Committee on Ways and Means contains five titles. Titles I and II follow rather closely recommendations of the House Post-war Planning Committee.

Title I establishes the Office of War Mobilization and Reconversion, which will supersede the Office of War Mobilization created by Executive order in 1943. In other words, it provides by statute that the things which have been done by the Director of War Mobilization under Executive order can now be done by law. The Office of Contract Settlement and the Surplus Property Administration are placed within the Office of War Mobilization and Reconversion.

It is provided that the Director of the Office of War Mobilization and Reconversion shall be charged with formula-

tion of over-all policies necessary to bring about the transition from war to peace, but not with the actual operations of the agencies. The bill also provides that the Director shall—

First. Coordinate activities of other executive agencies relating to problems of the transition period.

Second. Recommend legislation to Congress to carry out plans.

Third. Promote and assist the development of reconversion plans by other executive agencies; keep agencies informed of plans of other agencies and settle controversies that may arise between agencies.

Fourth. Cause studies to be made for him to determine the need for consolidation or elimination of emergency war agencies, and the relaxation of wartime controls and restrictions.

Fifth. Institute a specific study of agencies in the manpower field and develop plans for reorganizing and consolidating such agencies.

Sixth. Consult and cooperate with State and local governments, industry, labor, and agriculture.

Seventh. Submit quarterly progress reports to the President and Congress.

The Director is authorized to employ such personnel as may be necessary in accordance with the civil-service laws. However, the Director is expected to make use of the personnel of other executive agencies to the fullest extent, and to avoid the creation of another bureau with hundreds, if not thousands, of employees. We are trying to avoid the creation of additional bureaus that would employ hundreds and thousands of needless employees.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. DOUGHTON. Mr. Chairman, I yield myself 10 additional minutes.

The present office, I am glad to say, under Director Byrnes, has only 4 employees, while at the outset it had 10.

Title II of the bill relates to general policies of industrial demobilization and reconversion.

This title provides that the contracting agencies shall terminate prime contracts for war production when no longer needed for the prosecution of the war. Contracts are not to be continued merely to provide employment, or for any other purpose, except that of prosecution of the war.

It is also provided that the curtailment and cancellation of war production shall be integrated with the expansion and resumption of production for civilian purposes. In order to achieve this integration and coordination, the contracting agencies are to make continuous surveys, and report to the Director changes and anticipated changes in war production. Executive departments responsible for manpower, production, and materials are directed to permit the resumption of civilian production whenever such production does not require labor or materials needed for the war effort. The resumption of civilian production is to be permitted regardless of whether one or more competitors in the

same field are still engaged on war contracts.

The Director is required to establish policies as to selection of contracts to be curtailed or terminated, as well as policies for full and prompt consultation between executive agencies, war contractors, and representatives of labor and war contractors to bring about the most effective use of production facilities and labor released through the curtailment of war production.

The committee felt that great care should be exercised to protect the interests of smaller plants whenever civilian production is permitted on a restricted basis. Therefore, provision is made for the allocation of a fair and reasonable percentage of scarce materials to small plants.

Title III of the committee bill relates to unemployment compensation and follows closely the provisions of the Senate bill with the exception that unemployment benefits for Federal employees is omitted. It provides for loans, without interest, to State unemployment accounts in the event such accounts become seriously impaired as a result of heavy withdrawals for an extended time.

At present there are approximately five and a half billion dollars in the State unemployment funds and those funds are increasing at the rate of \$1,000,000,000 per year. There is little doubt as to the adequacy of these unemployment-compensation funds, but because of dislocations caused by the war, this means was taken to guarantee the stability and security of these funds.

Title IV of the committee amendment relates to public works. This provision also follows closely the provision of the Senate bill, with the exception that loans or advances made to public agencies for plan preparation are to bear interest and are to be repaid within a period of 5 years. The Senate provided for loans, but made no provision as to the payment of interest on such loans.

Title V of the committee amendment contains miscellaneous provisions. I think it is proper to call the attention of the Committee to the termination date. The amendment provides that this act shall terminate one year after the cessation of hostilities as proclaimed by the President or, at an earlier time if both House and Senate pass resolutions declaring that the emergency no longer exists.

Now I will refer briefly to the provisions of the Senate bill which are not included in the Committee amendments.

The Senate bill provides for the establishment of a Retraining and Remployment Administration. I call your attention to the statement in the Committee report on the omission of this provision, which is full and complete. It is not my purpose to discuss this matter in detail, because other members of the Committee on Ways and Means will undoubtedly speak on this subject. However, I will say that if, through the passage of events, it should prove desirable and proper to reconsider and reappraise such a program, careful consideration should be given to the probable costs.

Now notice what I say. If events show it is necessary to reconsider this later, proper attention and consideration should be given to the probable costs and to the ways and means of raising the revenue to meet such costs. When members of our committee asked about the costs of the proposal in the Senate bill, no one was able to give an estimate. In other words, there are some who are willing to authorize the expenditure of millions, and hundreds of millions of dollars, without any estimate of how much such a program would cost or any consideration as to where the money would come from. Sometimes I think we need our former colleague the gentleman from Pennsylvania, Mr. Rich, back here. He often cried out, "Where are you going to get the money?" The Committee on Ways and Means, which has the responsibility for raising the funds to carry out the authorizations and appropriations passed by this Congress cannot, in my judgment, authorize appropriations on which estimates of costs cannot be secured.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to my distinguished friend, the gentleman from Virginia.

Mr. ROBERTSON. Did not the language of the Senate bill with reference to the transportation item, provide that if the unemployed worker decided he did not want to go home but wanted to go somewhere where he thought he could get a job, he could still draw the money?

Mr. DOUGHTON. Why, of course.

Mr. ROBERTSON. Did it not say that the money went to anyone whose services had been essential to the war effort? Did it not say that the travel allowance could be claimed by anyone who could say his services had been essential to the war effort?

Mr. DOUGHTON. Why, undoubtedly.

Mr. ROBERTSON. Could farm workers be excluded then?

Mr. DOUGHTON. No.

Mr. Chairman, it behooves Congress to exercise diligent care in the launching of new and expensive programs without at the same time making provision for the raising of revenue for that particular purpose. With the public debt approaching \$300,000,000,000, even a nation as wealthy as ours cannot continue a policy of deficit financing after the war.

The Committee on Post-war Planning did not cover the subject of training and reemployment in its recent report. It is my opinion that further consideration of this subject may very properly be deferred until that committee submits a report containing detailed recommendations.

The other major change from the Senate bill is the omission of unemployment benefits for Federal employees. The committee spent more time on this one provision than any other provision of the bill. However, because the subject has so many ramifications, the committee decided to omit this subject entirely from the bill. It appears to me that no reasonable justification for these benefits to Federal employees has been brought for-

ward, that would not have been just as forceful and applicable in 1939, when the last revision of the Social Security Act was under consideration.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield myself 10 additional minutes.

It should be remembered that Federal employees generally are contributing 5 percent to the civil-service retirement fund. If they have not contributed for a period of 5 years, they may withdraw such contributions. In all likelihood they would probably receive as much from this withdrawal as they would from unemployment compensation benefits. Now I would like to ask this question: If Federal employees should be placed under the Social Security Act or be given unemployment compensation, why were they not placed there in the original Social Security Act? Why were they not included in the amendment of that act in 1939? If they belong there and should be given unemployment compensation benefits why should it be limited to one year? Why not make it a permanent law? Everyone knows that before that could be done extended hearings should be had and both sides of the question heard and the matter given careful consideration. Under the original law it was not considered practicable to include Government employees.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to my good friend.

Mr. WRIGHT. Does not the gentleman think that because of the fact there have been so many people placed on the Federal pay roll in connection with the war effort, who, we hope, are in the nature of temporary employees, who will lose their jobs as we get out of the war, that there is a special situation created which makes it necessary to include them now where they were not included in the law before?

Mr. DOUGHTON. Not if they can get other jobs, as I have no doubt they will be able to do.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield further?

Mr. DOUGHTON. Yes; I yield to the gentleman.

Mr. WRIGHT. What we are considering here is a temporary measure to take care of the men who have lost their employment by reason of the curtailment of the war program.

Mr. DOUGHTON. No; not who have lost their employment, but those whom you fear may lose their employment.

Mr. WRIGHT. I accept the gentleman's correction. Due to the very great number of Federal employees that have been taken on the pay roll by reason of the prosecution of the war, I do not see that they are in any different position than employees in private industry. I feel their exclusion is discrimination, if the gentleman will excuse the criticism.

Mr. DOUGHTON. If we were to do that, does the gentleman not think we first should have an estimate of the cost and then give some consideration as to how we will raise the money?

Mr. WRIGHT. Of course, I do not happen to be a member of the committee which is so ably headed by the gentleman from North Carolina.

Mr. DOUGHTON. Does the gentleman think we should just proceed blindly?

Mr. WRIGHT. I do not think so.

Mr. DOUGHTON. Does the gentleman think we should proceed blindly to authorize expenditures of hundreds of millions of dollars?

Mr. WRIGHT. I do not think so.

Mr. DOUGHTON. The taxpayers of this country will have to provide funds by paying additional taxes unless we further increase the public debt.

Mr. WRIGHT. If the gentleman will yield while I attempt to amplify my position, without any personal criticism.

Mr. DOUGHTON. Mr. Chairman, I do not yield for a speech, but the gentleman can say "Yes" or "No." Does the gentleman believe we should proceed that way?

Mr. WRIGHT. I believe it should have been considered by the committee before the bill was reported out.

Mr. DOUGHTON. I agree with the gentleman, and I am ready to do that at any time, but no request was made for that. When we would ask those who opposed our bill what was the estimated cost, they would shake their heads and say, "We have no idea." I think the cost, as well as means of raising the money, should be taken into consideration.

Mr. WRIGHT. I feel it should be taken into consideration.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KNUTSON. Of course, the cost is a very, very minor detail.

Mr. DOUGHTON. Mr. Chairman, I think there is a great deal of unnecessary excitement about the unemployment problem. I do not think it is as serious as many of us think.

I will read from the United States News:

You will not be jolted by great changes at home when war ends in Europe, as it will at sometime in the weeks ahead. After that time—

War with Japan will gain momentum, will take up the shock of German war end.

Workers in war industry will lose jobs gradually, won't be fired en masse. There'll be an end to much overtime. Worker incomes will fall. Raises will be even harder to get. But: Unemployment will be modest until Japanese war end.

The shortage in housemaids is not suddenly to disappear.

Men in service will come home very gradually. Demobilization at the rate of 250,000 a month will be about like the mobilization at that rate. Draft will go on taking 17-year-olds becoming 18 but almost nobody else.

We all know that there is a crying need for additional help in almost every line of industry. The railroads are behind in their work. They need thousands of employees. Old farmers, who are taking the place of the young people who left the farms to go to war plants and into the service of their country, will need somebody to come back and take their places. There are millions of homes to

be built. The people have the money and they are simply waiting because they cannot get material and labor to build their homes. Almost every home in the land needs painting. There is work to do all over the land. In my judgment, we are unduly excited about the unemployment situation at this time. I think you will all agree that it is much better to give people work, if we have unemployment, than to give them a dole. However, I hope it will not be necessary to give them work at public expense.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KNUTSON. The gentleman from North Carolina, chairman of the Ways and Means Committee, who is now addressing the House, will recall that in the spring of 1942, there was a proposal before our committee to create a fund of \$300,000,000 to be used in the converting from peace to war insofar as labor was concerned. We were told what terrible, dire things would happen if we did not give them that money. We did not do it. We converted without any effort. Some of the men who signed the minority report on this measure were among the most ardent advocates of creating that \$300,000,000 fund, if the chairman will recall.

Mr. DOUGHTON. We were told in most lurid terms of the consequences that would ensue if we did not do it. After we failed to pass the legislation we heard nothing more about it.

Mr. KNUTSON. Of course. It just petered out.

Mr. DINGELL. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KNUTSON. If the gentleman will yield further, I think Mr. Hillman was one of the chief proponents of that plan.

Mr. DOUGHTON. The gentleman will agree that the serious results and consequences we were told would ensue, apparently did not occur, inasmuch as we heard nothing further of the proposal.

Mr. DINGELL. Will the gentleman yield?

Mr. DOUGHTON. I do not think the gentleman will challenge that statement. I know the gentlemen who took that stand were honest. But they were mistaken. We may be mistaken now.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. DOUGHTON] has again expired.

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I want to compliment the distinguished chairman of the Ways and Means Committee [Mr. DOUGHTON] for the very splendid presentation of the legislative situation as it exists today.

This is a little different role, as far as post-war activities are concerned, from that with which I am familiar, speaking for our side of the House. I remember when the First World War ended. We came into power, and I came to the House at that time. I was elected in November 1918. Now, a heritage was passed on to us from that war

in the form of a debt of some \$26,000,000,000, which, of course, was a debt in those days, and looked upon as a debt, and as one that would have to be paid.

I also remember very vividly there were 7,000,000 men walking the streets, and there was not a large city in which a series of soup houses had not been set up to feed the hungry. That was when we came into power. The railroads were hardly able to operate. They were practically in bankruptcy. Their cars and engines were worn out. The farmers of the country were in a deplorable state. Great stock piles that had been built up in the warehouses of Europe, Australia, New Zealand, Argentina, and various other countries were poured in here just as soon as the ships were available to land the merchandise in our open ports. There was not a stream of smoke coming from any industry in this country. The supplies which should have been produced here were coming from abroad. The unemployment system at that time would not have been very beneficial, because the spirit of the people was entirely different in those days.

I remember one large automobile city in those days where its citizens believed ardently in home rule. They decided they would take care of the transition from war to peace in their own way—in the American way. What did they do? The heads of the large plants, all the merchants, all the contractors in that city, all those engaged in business enterprises, even down to professional men, got together and they said, "We will take care of this situation. We will pay the boys, even though they are not employed, to the extent of some 3,000, their wages for 90 days." The merchants and professional men and contractors said: "We will supply the people of this city with goods at cost for 90 days." Then the transition took place and a wonderful spirit of home rule resulted. That was in the days before they felt they had to run to the Federal Government for everything. Now when we came into power what did we do? Did we begin to holler about unemployment systems? We did not. We put constructive legislation on the books that gave men jobs in private enterprise, and in less than 1 year after we came into power 7,000,000 men were employed and employed at good wages. The private enterprise was permitted to function. Then we proceeded to look at that public debt of \$26,000,000,000. We paid \$1,000,000,000 a year each year for 10 years on that debt. Did we jump taxes? No; we reduced taxes five times in a period of 5 years until less than 2 percent of the people paid any taxes at all. For 10 years this country enjoyed the greatest prosperity this Nation has ever seen. Then we had to face a tidal wave swept in from abroad from countries that thought they could work the printing presses, that they could operate on deficit financing, the very same system that radical and racketeering elements are now proposing to meet this situation. We have got to come to the fundamental principles of thrift, production, and common sense.

Mr. Chairman, there was referred to the Ways and Means Committee the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes. The report of the majority and the views of the minority of the Ways and Means Committee carry a very complete statement in support of the committee action.

The Congress has realized for months the necessity of passing legislation governing the termination of war contracts and the disposal of billions of dollars' worth of war goods. To support this assertion I need only refer to the omnibus bill covering the termination of war contracts and the disposal of surplus materials, which was introduced in another body as early as February of 1944.

It has also been sought through propaganda to create the impression that there does not now exist and never has existed a sound unemployment-compensation system, State controlled. The fact is that such a system does exist and is functioning admirably and will continue to function in the post-war era unless destroyed by the proposals of a radical element which sees in this proposed legislation an opportunity to put the system under Federal control and to use it for political purposes.

There seems to be much concern on the part of the critics of the State unemployment system because of the wide discrepancy between the various States in the weekly unemployment compensation paid and the duration of such payments. The State authorities are better able to pass on this question than the Federal Government. There is a vast difference in the cost of living due to many factors which vary from State to State. Food, fuel, clothes, and housing requirements in the several States, due to different climatic conditions, cannot be ignored when fixing a just standard of unemployment compensation. That the States themselves have been liberalizing the unemployment-compensation benefits without coercion from the Federal Government indicates that the State authorities are fully aware of the increase in cost of living and are providing for it under the American system of home rule.

The proposal of those who wish to play politics with the unemployment system under a rule-and-ruin policy do not hesitate to hold out the political bait of \$35 a week to those on the home front, when they know that the G. I. bill only provides for a completely unemployed soldier the sum of \$20 a week. There are various gradations of pay for the unemployed soldiers, but \$20 is the maximum per week for him. To establish any such discrimination as between the fighting soldier and the home-front worker ought to put to shame the authors of any such proposal.

I wish to say that those who are in earnest about preserving the State unemployment compensation system should keep in mind that disaster can be brought to the whole system by yielding to the demands of the radical element to increase the amount of the benefits and to extend them over a longer period

of time than the States find it expedient and wise to do in view of their own economic conditions. There is no group that should be more cautious in this regard than the employees themselves because the experience of other countries, such as England, Germany, and Italy, has shown that there is a limit beyond which it is not wise to go.

It is of the utmost importance in considering this or any other legislation that we bear in mind that we face a national debt of \$200,000,000,000, which may easily run up to \$300,000,000,000 before the war is over.

It is the duty of Congress to resist any pressure group or groups, no matter how plausible their arguments for high benefits, if such action will tend to weaken or possibly destroy the present State system of unemployment compensation.

It is a system that can be put on a basis of a choice between a vacation with part pay and a job with full pay.

Germany adopted an unemployment compensation system in 1926 with benefits so high as to put a premium on idleness. It created a situation where hordes of people chose to take 10 or 12 marks a week in benefits and spend their time in idleness rather than work for 20 or 25 marks a week. It was this weakness in the German system rather than actual lack of jobs that accounted for the tremendous and disastrous rise in the cost of unemployment compensation. The cost rose from 525,000,000 marks in 1928 to over 1,000,000,000 marks in 1931. Now here is what happened to the system in Germany, according to C. A. Kulp, an authority on social insurance: The federal treasury was obliged to begin payment of special subsidies to local governments for support of the unemployed. In 1930 it gave 3,700,000 reichsmarks; in 1931, 233,800,000 reichsmarks; in 1932, the high mark of Germany's post-war financial crisis, the sum of 652,000,000 reichsmarks. Even with this aid from the federal treasury the load on the local governments was unsupportable, was a direct cause of their nearly universal bankruptcy. Hitler used his dictatorial powers to stop the drain on the treasury by the conscription of labor. Hitler later attained full employment by means of building a war machine which our boys are now fighting. Great Britain sought to stem the drain on the unemployment compensation fund by reducing benefits, raising contributions, and applying the needs test, a course of action which ought not to be forced upon our unemployment compensation system by the unwise expansion of benefits.

We hear much about the trust funds of the States accumulating to over \$5,000,000,000. Well, just remember that every dollar of this vast sum has been spent and in its place are Government bonds. It is important, too, not to forget that the national debt is now \$200,000,000,000 and rapidly on the increase. This debt, whether \$300,000,000,000 or \$500,000,000,000, must be paid in the sweat of the man who labors, or by the dishonest method of repudiation. Why invite disaster by yielding to unwise demands for ever-increasing benefits?

The Ways and Means Committee sought to take such action as would preserve the State unemployment system. The committee fully realized that some States, because of their many war industries and vast number of employees, might exhaust their unemployment funds during a protracted period of unemployment. To meet such an exigency, it has provided under title III advances to State unemployment funds. Section 301 establishes in the unemployment trust fund a separate account to be known as the Federal unemployment account. There is authorized to be appropriated to this account—

First. A sum equal to the excess of taxes collected prior to July 1, 1943, through the Federal unemployment tax over the total unemployment administrative expenditures made prior to July 1, 1943;

Second. For the fiscal year of 1945, and for each fiscal year thereafter, a sum equal to the excess of the taxes collected under the Federal Unemployment Tax Act in the preceding fiscal year, over the unemployment administrative expenditures made in such year; and

Third. For the fiscal year 1945, and thereafter such further sums, if any, as may be necessary to make advances to the State accounts, as provided in section 302 of the committee amendment.

Propaganda that has been dinned into the ears of the public relating to the so-called demobilization and reconversion features of this bill until many persons believe that these features must of necessity be the very heart of a post-war program. I do not need to remind the Members that the House has disposed of two things that are necessary to facilitate the demobilization and reconversion of the country's production facilities. I refer to the Office of Contract Settlements, created by the Contract Settlement Act of 1944, and the Surplus Property Administration, created by the Surplus Act of 1944.

I realize, as does every member in this House, that prior to the war and all during the war, measures have been passed to meet emergencies. These innumerable legislative acts, all of them, restricted in greater degree the freedom of the citizen. These measures passed by Congress in the name of emergencies, have augmented the number, the power and the influence of the bureaucrats charged with their application. These entrenched functionaries have become the veritable masters of the American people. It is the hope of those who make up this administrative caste to perpetuate themselves in office and in power under post-war emergencies. They may believe that the citizens of this country, because they have endured the restrictive legislation during wartime, are now ready to accept abject servitude during peacetimes. Such is not my opinion of the American public. What the citizens of this country desire most of all is to win this war. They want their boys to come home to a country free from bureaucratic control. Neither do they want, under the plea of a post-war emergency, to have the war powers of the

President continued in him or to be exercised by any functionary appointed by him.

It was with this thought in mind that I examined title III of Senate bill 2051, which was eliminated by action of our committee. Under title III of Senate bill 2051 it provided for "Retraining and Reemployment" and payment of transportation. On the face of it, the title appears to be essential and innocent in all implications of the words "Retraining and Reemployment" but let us see what this would lead to when these words are interpreted in the light of the new philosophy of statutory construction applied by the New Deal bureaucrats, which is: "Legislation by negative action of Congress, wherein the bureaucrat assumes powers not affirmatively denied by Congress on the ground that such powers must be considered as having been tacitly approved by Congress."

That is what we are doing now. Let us see just how far these two innocent words go in title III.

Under such a rule of statutory construction the program of retraining and reemployment could be expanded as follows:

INVENTORY OF PROBLEMS IN RETRAINING AND REEMPLOYMENT—FACT FINDING AND INFORMATION

First. Information on manpower needs and available labor supply—present and projected inventories.

Second. Occupational outlook information; probable war-to-peace shifts in the labor force; amount of increase and decrease in labor demand for each industry and occupation within the industry, by States and regions.

Third. Occupational analyses with emphasis upon common factors in related occupations for purpose of transfer of workers from wartime to peacetime jobs and from military to civilian pursuits.

Fourth. Physical demands studies; job studies from the point of view of the requirements of the work for the selective placement of the handicapped.

Fifth. Information for industries on how to use the handicapped in work they can do, maximizing their abilities and making minimal demands and their disabilities.

Sixth. Handbook giving all the information on his rights and privileges a war worker needs to know.

Seventh. Information centers for servicemen and war workers giving, in large cities, full information through specialized and training interviews, and in small places standardized information and handbook with referral to agency concerned which can give full advice and service.

Eighth. Pooled information for guidance of production program for various industries.

Ninth. Information on demobilization ratios in different geographical areas.

Tenth. Economic and job information for soldiers, veterans, and war workers to guide them in their plans for retraining and employment now.

Eleventh. Report system for a quarterly survey and assembly of all informa-

tion necessary for the reemployment program.

DEMobilIZATION, RECONVERSION, AND REEMPLOYMENT

Twelfth. Questions of scheduling of reconversion of plants while the war is going on and afterward.

Thirteenth. Problem of rate of demobilization in relation to ability of industry to absorb workers.

Fourteenth. Cut-backs on contracts in areas of labor shortage first and in areas of labor surplus last.

Fifteenth. Demobilization of war workers in industries and areas with due regard to the effect of such demobilization on the workers, the returning servicemen, and on industry.

Sixteenth. Aid to industries in the development of manning tables and job and labor inventories in projecting peacetime plans.

Seventeenth. Balancing labor supply and demand by redistributing production where necessary.

Eighteenth. Redistribution of labor from region to region to take care of the displacement occasioned by the war and to improve its utilization.

Nineteenth. Continual reappraisal of the national production requirements in relation to consumer demand and manpower resources.

Twentieth. Provision for maintenance, reeducation, and utilization of men and women in factories where retooling is going on.

Twenty-first. Limits of demobilization of Army and Navy in the light of national defense needs.

Twenty-second. Estimated demobilization schedule after one enemy is defeated; when both are defeated; during period of military government, and after.

Twenty-third. Demobilization priorities: Those who have jobs waiting, first; oldest, or married first; longest in service first? Which policy will serve reemployment and stabilization best?

Twenty-fourth. Demobilization of wives and husbands.

RETRAINING

Twenty-fifth. Adequate provision for vocational training through utilization of agencies concerned and established institutions to enable soldiers and war workers to enter new employment.

Twenty-sixth. Conversion of war training institutions and programs, civilian and military, to peacetime training; utilization of suitable plants and facilities.

Twenty-seventh. Institution of new facilities and courses if necessary.

Twenty-eighth. Course construction, based on job analysis; streamlining and acceleration.

Twenty-ninth. Preemployment or vestibule courses for men and women, war workers and veterans in industries.

Thirtieth. Continuous training in industry after employment.

Thirty-first. Liberalization of apprentice training for war veterans providing suitable credit for training and experience along the lines of the trade, and acceleration according to capabilities.

Thirty-second. Experimental determination of minimum and maximum time

required to learn a trade or other occupation.

Thirty-third. Establishment of apprenticeship ratios by the labor unions and local apprenticeship committees for veterans.

Thirty-fourth. Vocational and educational guidance, including testing for all applicants for retraining.

Thirty-fifth. Determination of standard cost ranges for instruction, tools, and materials for training.

Thirty-sixth. Securing of lists of accredited schools and training facilities.

Thirty-seventh. Encouragement of the establishment of training departments in industry.

Thirty-eighth. Encouragement of modern methods of instruction; visual aids, job sheets, laboratories, et cetera.

Thirty-ninth. Encouragement of vocational education on adult level; sub-engineering technical training for foremen.

Fortieth. Continuation of job instructor training, job relations training, in industry and in Government.

Forty-first. Prediction of retraining needs so that educational institutions may prepare their educational services.

REEMPLOYMENT

Forty-second. United States Employment Service program—setting up of experimental stations in which best methods for veterans and war workers are worked out: Training for counselors, et cetera.

Forty-third. Definition of programs of public and private associations for employment of veterans.

Forty-fourth. Definition of work of Selective Service System veterans' representatives.

Forty-fifth. Occupational analyses from the point of view of showing common or transferrable job elements and skills, and coding of occupations and workers on this basis to facilitate placement.

Forty-sixth. Preparation of charts on occupational trends.

Forty-seventh. Preferential employment for veterans in Government and industry; employment ratios for veterans.

Forty-eighth. Training on the job for disabled veterans in Government work with pay while training.

Forty-ninth. Occupational guidance.

Fiftieth. Controlled referrals based on occupational information in hands of United States Employment Service.

Fifty-first. Provision for securing the veteran his old job.

Fifty-second. Estimated need and plans for public works and national service to take up slack in employment in interim period and afterward.

Fifty-third. National service up to 1 year, or other length of time to be determined, for all youth, men and women, including outdoor work, living, and training.

REHABILITATION

Fifty-fourth. Physical and mental rehabilitation of veterans while in the Army and Navy hospitals, or afterward with the Veterans' Administration, with

full utilization of physical and occupational therapy.

Fifty-fifth. Vocational rehabilitation, including advisement and training under the Vocational Rehabilitation Service of the Veterans' Administration, with placement and follow-up.

Fifty-sixth. Coordination of all rehabilitation programs, so that continuous service is rendered the individual under military and civilian jurisdiction in guidance and training; transferable guidance schedules and records.

Fifty-seventh. Rehabilitation of disabled war workers through the Rehabilitation Service of the Federal Security Agency.

Fifty-eighth. Occupational analysis to determine physical requirements of jobs in preparation for selective placement of handicapped.

Fifty-ninth. Establishment of employment ratios for the handicapped in industry, that is, in the same proportion in industry as they are in the population or by some other measure.

Sixtieth. Coding system for the purpose of relating certain patterns of disabilities to occupational demands; comparison of systems used in England and other countries.

Sixty-first. Domiciliary care in veterans' hospitals for seriously disabled veterans.

Sixty-second. Adjustment of workmen's compensation laws in the various States so that they do not work a hardship on those they aim to protect; Federal funds for extra compensation for second injuries, et cetera.

Sixty-third. Securing of favorable attitudes of employers and workers toward the handicapped to aid in their employment.

Sixty-fourth. Provisions for extra amount of permanency in jobs for the handicapped in view of the fact that the handicapped have difficulty in securing new jobs while as a matter of fact they hold their jobs very well.

Sixty-fifth. Social rehabilitation of handicapped, especially in blind, since the reconstruction of their social and personal habits is basic to vocational rehabilitation.

RESUMPTION OF EDUCATION INTERRUPTED BY THE WAR

Sixty-sixth. Provision for continuation of educational plans of veterans and young war workers.

Sixty-seventh. Determination of conditions under which education will be furnished, including a length of time in relation to the length of service and proved educational achievement of the applicant.

Sixty-eighth. Prediction of the amount of higher education needed and in what fields so that the institutions may prepare faculties and materials; poll of Army and Navy to secure intentions in regard to amount of education and subject matter desired, under various conditions; Government paying a certain amount; without Government subsidy, etc.

Sixty-ninth. Determination of rates to be paid by the Government for tuition.

Seventieth. Determination of Government aid for subsistence while receiving education.

Seventy-first. Revamping of college courses and methods to make them suitable for older and more experienced students; increase of technical education, and education in economic and political problems capitalizing the new knowledge of the world.

Seventy-second. Advanced standing or credit on length of college courses for war experience, training, and travel.

Seventy-third. Provision whereby those who can make the best use of education will get the most of it; emphasis upon special consideration for the bright as well as the backward.

Seventy-fourth. Information bulletin revised annually listing all the courses of all the higher institutions indexed by course, occupation, and locality.

Seventy-fifth. Information bulletin on all vocational education indexed by occupational objective and locality, including all private as well as public institutions.

Seventy-sixth. Listing of schools on the recommendation of Governors of States or regional educational agencies as accredited for the education of veterans.

PROVISION FOR SPECIAL GROUPS

Seventy-seventh. Retraining and re-employment for women.

Seventy-eighth. Retraining and re-employment plans for professional workers, technical workers, youth, aged, and the disabled.

Seventy-ninth. Securing the cooperation of special groups, organizations, manufacturers' associations, trade unions, and so forth, in educational plans.

UNEMPLOYMENT COMPENSATION AND ASSISTANCE

Eightieth. Establishment of a temporary plan for unemployment compensation to carry over the adjustment period between dismissal or discharge and work for veterans, war workers, and others not presently covered by unemployment insurance—this plan to run so long as the Congress deems advisable. This plan would involve the Federal supplementing of existing State unemployment systems to the extent necessary.

Eighty-first. Exploration of the advantages and disadvantages of dismissal pay. The practicability of this is open to serious question.

Eighty-second. Old-age retirement system can be invoked in case of the superannuated.

Eighty-third. Cooperation of business organizations, chambers of commerce, and so forth. Stimulation of production for jobs.

Eighty-fourth. Government aid in industrial and business expansion.

Eighty-fifth. Cooperation of business organizations, chambers of commerce, and so forth, in making jobs for demobilized soldiers and war workers.

Eighty-sixth. Gearing American production to any plans which may be developed for reconstruction in devastated areas of Europe and Asia.

This program, so we are informed, "is not exhaustive but is indicative of the type of problems which will have to be

solved if the major task is to be accomplished."

Now the facts are, as will be found on page 10 of the Ways and Means Committee report, that there are now in the Federal Government two agencies dealing with vocational education and training. One of these is in the Federal Security Agency which administers the grants-in-aid to the several States for vocational training by State agencies, and the other in the Veterans' Administration, which provides vocational training and rehabilitation for veterans. Why are additional Government agencies necessary to supervise the retraining of civilians released from war work?

I have taken up each of these propositions, which would create a beautiful bureau in practically every community of any size in the United States of America. There are just 86 of these different subjects that are going to be taken up by these bureaucrats, a whole new army of bureaucrats opposed to our elimination of their wild and reckless dreams. No one under the sun, as the chairman of the Committee on Ways and Means has pointed out, has ever given the slightest information of what the cost of the program would be, to say nothing of its utter futility.

If any such program were taken up, it would require a study over many months by our committee, or any other committee, to see whether or not it was practicable and whether it should be done and whether it could possibly come within the budgetary possibilities of this Government with its huge national debt.

So far as the removal of certain sections are concerned that we have heard so much about, may I say that I have studied very carefully the hearings before the Colmer committee. Our distinguished friend the gentleman from Tennessee, Representative COOPER, headed a subcommittee which gave study to titles I, II, and III. That is the reason the George bill, titles I, II, and VI, were stricken from the bill and in their place was put the proposed legislation of this special committee headed by the gentleman from Tennessee [Mr. COOPER]. Those titles I, II, and III of the Cooper proposal underwent some changes, but as modified and adopted they were sound. The provisions had long, diligent study by as able a group of men, both on the majority and minority side of that committee, as can be found in this body, and from every angle these substitutions greatly improved the Senate bill. There is no reason why we should not support S. 2051, and I feel satisfied that it will receive the overwhelming support of this great group of splendid Representatives who already know the dangers that confront this Nation so far as its debt is concerned. In this year of national elections we cannot accept a political bill that holds out so-called benefits way beyond all reason, so much so that they are bound to ruin the very system of benefits now paid under the State compensation systems. Nor must we discriminate against the soldiers who have been going through bloody battles abroad while the men at home have received larger wages than have ever been

paid before in any country at any time in the history of the world. We cannot afford to be misled by the threats of political reprisal. We owe something to the rank and file of the sound citizenry of this country, that branch of the citizenry that wants to preserve our wonderful heritage of liberty under the Federal Constitution. We want to get back to constitutional government. Our people want jobs in private industry. They want Congress to put emphasis on future prosperity, not to a great period of unemployment. Let us point the way to a period of unexcelled prosperity under the banner of republicanism.

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from Tennessee [Mr. COOPER].

(Mr. COOPER asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. COOPER. Mr. Chairman, when our great defense program began it was necessary for us to get into war production in a terrible hurry to save this country. When victory comes it is going to be necessary for us to get out of war production in a terrible hurry if we are to save the economy of the country. This makes imperative a proper demobilization and reconversion program for the transition from war to peace. The pending bill, S. 2051, is a very important part of that program. The Baruch-Hancock report recommended a series of legislative steps that should be taken. The Contract Settlement Act is now on the statute books. The surplus property bill has passed the House and the Senate, and is now in conference. The pending bill is the next step in that important program.

It will be my purpose, as I usually try to do, to briefly discuss the provisions of the committee bill as reported and then briefly to discuss the provisions of the Senate bill which were stricken out by the Committee on Ways and Means and the committee bill substituted in place of it.

The committee bill contains five titles—title I, which establishes an office of war mobilization and reconversion; title II, which relates to industrial demobilization and reconversion and the problems connected with it.

Title III relates to advances to States, to protect their unemployment compensation funds during the transition period. Title IV relates to planning for public works. Title V contains miscellaneous provisions, such as definitions, and so forth.

The bill as passed by the Senate contains six titles. Titles I and II of the Senate bill are very similar to titles I and II of the committee bill. Title III of the Senate bill provided for retraining and reemployment. The Committee on Ways and Means eliminated that title entirely from the bill. Title IV of the Senate bill contains provisions for unemployment insurance, and was divided into two parts. Part 1 of that title provides for advances to the States when the State unemployment funds became impaired. The second part of title IV of the Senate bill provides for unemploy-

ment compensation for Federal employees. The first part of title IV of the Senate bill is substantially the same as title III of the pending committee bill. The second half of title IV of the Senate bill, providing for coverage of Federal employees under unemployment insurance, has been eliminated from the bill. Title V of the Senate bill provides for loans to the States and political subdivisions for plans for public works. That is substantially the same as title IV of the pending committee bill, with this one change made by the committee. A provision has been included providing for interest at 2½ percent per annum on the loans that are made to the States and political subdivisions for planning, and the further provision that the loans must be repaid within 5 years or sooner, if the project is started. Title VI of the Senate bill contains the general provisions, such as definitions, and so forth, and they are substantially the same as contained in title V of the committee bill.

I believe that brief explanation will serve to call attention to the major differences between the two bills now under consideration, the Senate bill as passed by the Senate and the bill as reported or recommended by the Committee on Ways and Means as an amendment to the Senate bill.

It will be remembered that the Office of War Mobilization is now in existence under an Executive order of the President. The Office is headed by Justice Byrnes. The provision of title I of this bill provides for the Office of War Mobilization to continue as it exists and is now functioning. Additional duties are assigned for reconversion, so that it becomes an office of war mobilization and reconversion. The provisions of the bill, of course, will become effective upon the passage by Congress and the approval of the President. Of course, the war is still in progress. It is necessary for the Office of War Mobilization to continue for the remainder of the war period as it is functioning now.

In addition to those important duties, the Office of War Mobilization and Reconversion, as provided in this bill, is assigned very important duties insofar as making plans for the transition from war to peace. It also provides for certain studies and reports to be made to the Congress, recommending any legislation that may be deemed necessary and advisable.

The Committee on Post-war Economic Policy and Planning, of which I have the honor to be a member, gave very careful consideration to the matters covered in titles I and II of the Senate bill and the committee bill, realizing the importance of providing the machinery that is necessary for the over-all coordination and supervision during this important transition from war to peace. The committee bill very closely follows the recommendations of the Committee on Post-war Economic Policy and Planning as contained in the report presented by that committee to the House.

Title III of the committee bill provides for advances to State unemployment

compensation funds when they become impaired. It will be remembered that the Social Security Act provides over-all standards under title III for unemployment compensation or insurance. The various States of the Union have enacted social-security acts providing for unemployment-insurance benefits for the workers in those States. The program provided in title III of the committee bill continues the present State programs just as they exist today, just as they have functioned in the past, and simply provides that if the unemployment fund of any State becomes impaired, that an advance will be made by the Federal Government to replenish that fund. It is advanced without interest and for the purpose of keeping the unemployment-insurance funds of the various States of the Union in a sound condition at all times. There are now something like \$6,000,000,000 in the unemployment insurance fund of the various States. It is estimated that this will be adequate and sufficient to take care of any needs that may now be expected, unless a situation should develop in some State where there is widespread unemployment to the extent that the fund of that particular State might be depleted to the point that an advance by the Federal Government would become necessary to restore that fund to a sound condition.

The second half of title IV of the Senate bill relating to unemployment insurance for Federal employees, as I said a moment ago, has been eliminated from the bill reported by the Committee on Ways and Means. Of course, there is a difference of opinion as to the wisdom of including Federal employees. We realize, of course, that there are some difficult problems presented by reason of the fact that some of the war plants of the country are operated by the Federal Government; therefore the employees in those plants would not be included in unemployment insurance because they have not been in what is known as covered employment, because they have been working for the Federal Government, and the Federal Government does not pay the unemployment-insurance tax to provide the funds to pay unemployment benefits. It was thought by some that an effort should be made to include Federal employees engaged in industrial plants of different kinds, yet it was recognized that the people working for the Federal Government in these shipyards, arsenals, and plants of that type, were receiving the highest percentage of pay of any employees of the Federal Government during that time.

To include them and not include other employees of the Federal Government might be regarded as unfair. Many of these employees have been working for modest salaries. Various clerks here in the departments of the Government who receive perhaps \$1,440 salary per annum, and who are barely able to make both ends meet, would not be included. From the standpoint of fairness and equity, some members doubted whether those Federal employees engaged in industrial work alone should be singled out.

It was further borne in mind by the committee that it is almost impossible to draw a line of distinction between those Federal employees engaged in an industrial type of work and those engaged in nonindustrial types of work. The worker in the war plants, working for the Federal Government, driving rivets, or doing some other type of work of that kind, would certainly be considered an industrial employee, but how about the clerks and the bookkeepers and the people in the office of that same plant who would be doing a very vital and essential part of the work necessary for carrying on the operations of that plant? Therefore, the committee felt that a problem of this kind should receive extensive and very careful and thorough consideration, and that it was the part of wisdom not to try to include it as a part of this bill.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. Does the gentleman see any reason why both classes of Federal employees should not be included, that is, those who are engaged in industrial establishments and that portion of the Federal pay roll, the clerks, who represent an unusual amount of employment because of the war? I do not see any reason why there should be a discrimination.

As to the gentleman's other point, that no study has been made of it, I realize of course how hard the gentleman's committee has been working and I have the greatest admiration for the work the members of that committee have done, but I submit that it was our duty to compile those figures and to include this class of employees, for the reason that there is no essential difference between men who work for the Government and men who work for private industry in an emergency such as this.

Mr. COOPER. I readily concede that there is much merit in the contention that they should be included, yet it should be borne in mind that they all accepted positions knowing that they were not covered under Social Security. They have never been covered under it. They knew that when they accepted their positions.

In the next place, it is estimated that there will be 3,500,000 of them, and we had no estimate whatever as to the probable cost of including all of them under the benefits of unemployment insurance. I am sure the gentleman will bear in mind that the Committee on Ways and Means, after all, is the one that has to raise the revenue to pay for all of these expenses. When we were unable to secure any kind of an estimate as to the probable cost of such a program as that, the committee decided it was best, probably, not to include them at this time.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Oklahoma.

Mr. DISNEY. Since the Social Security program was started it never has been the policy of Congress to include Federal or State employees in that pro-

gram, for good reasons that developed at the original hearings.

Mr. COOPER. Of course, the gentleman is correct.

Bear this in mind: Under Social Security, somebody is taxed for benefits that are provided with respect to title II as well as title III benefits. The major provisions of the Social Security Act are these. Title I relates to old-age assistance, commonly referred to as old-age pensions. Title II relates to old-age and survivors insurance benefits, commonly referred to as old-age annuities, where the employer pays 1 percent and the employee pays 1 percent, and thereby provide the funds to pay the benefits. These funds are paid in during the working period of a man's life, so that he becomes entitled to benefits as a matter of law when he reaches the age of retirement.

Title III of the Social Security Act relates to unemployment compensation. There is a tax of 3 percent on the pay roll of industry to provide the funds to pay the benefits for unemployment compensation. It will be remembered that a tax has not been imposed so far as Federal employees are concerned and a tax has not been imposed so far as State, county, and municipal employees are concerned, because the Federal Government has never reached the point of trying to tax States, counties, and municipalities.

Various other groups are not included, and some reason along a similar line might be advanced as to them. The employees of religious, charitable, and eleemosynary institutions are not covered. Those institutions as employers are not taxed under the Social Security program. Therefore, you do have a clear line of distinction between people employed by institutions or employers who pay a tax, and upon whom a tax can be levied, and employees of institutions or employers upon whom no tax is levied.

Mr. WRIGHT. I realize full well the problems of which the gentleman speaks, and I know there is no person in the House who gives more patient consideration to them than he, but it strikes me that this is a cost of the war. The employees were brought to Washington and brought to the shipyards at the request of the Federal Government. They were brought here to win the war. We are not going to win this war fully until we have both our soldiers and our civilian employees back into normal channels of industry. We are spending \$200,000,000,000 to win the war, and we must consider spending something to adjust ourselves to a peacetime economy. We have not completed our task until we do that.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Tennessee.

Mr. COOPER. There is much to be said along the lines the gentleman has indicated. I have tried to point out some of the reasons the committee entertained for the action taken. I am not undertaking to say that all of the reasons advanced by the committee are necessarily my individual reasons, but I am trying

to explain as best I can the reasons advanced by the committee for the action taken.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to my colleague from Tennessee.

Mr. PRIEST. Under the civil service regulations the regular employees of the Federal Government contribute a percentage of their salary each month to the civil service retirement fund.

Mr. COOPER. The gentleman is correct.

Mr. PRIEST. I believe that when they are separated from their positions they are entitled to withdraw the amount they have contributed?

Mr. COOPER. That is my understanding.

Mr. PRIEST. I wonder if the Federal employees engaged in an industrial capacity make such a contribution. Are they under that regulation with reference to the civil service retirement fund? I am not sure whether the workers in a shipyard, for instance, are or are not under that regulation.

Mr. COOPER. It is my understanding that all civil-service employees make the contribution to the retirement fund and, when they become separated from the service, are entitled to draw out the amount they paid in. As to whether all workers of the Federal Government are covered under civil service I am not prepared to state at the moment.

But my understanding is, certainly since the passage of the so-called Ramspeck Act, the purpose is to try to cover all of them under it.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to my colleague, a member of the committee.

Mr. GEARHART. In view of the fact that this bill originated in the Senate, the only way we could have included these excluded groups would have been by Federal grant?

Mr. COOPER. The gentleman is correct.

Mr. GEARHART. And if we had included them by Federal grant, that would have been a manifest and distinct discrimination against the presently included groups, all of whom have, in part at least, purchased their protection through the payment of taxes which have been treated in the nature of premiums upon the policy which gives to them this unemployment benefit.

Mr. COOPER. The gentleman has made a very pertinent observation. It should be borne in mind this bill having originated in the Senate, is a Senate bill and it cannot be amended so as to levy a tax, because under the Constitution revenue measures must originate in the House. The parliamentary situation is such that we cannot amend this bill and include a tax or extend coverage which requires the levying of a tax for that reason. As the gentleman from California pointed out, working as we now are, under that limitation, the only thing you can do when it comes to taking care of additional employees is to provide the money out of the Treasury

of the United States by an authorization for an appropriation.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. STEFAN. I am very much interested in title III. As I understand it, it really covers only those who are covered by social security. Am I correct in that assumption?

Mr. COOPER. The gentleman is correct.

Mr. STEFAN. The gentleman stated that the way you are going to work this under title III is that should some State's social-security funds become depleted they can come to the Federal Government and secure funds without the payment of interest in order to continue the payment of these social security unemployment compensations.

Mr. COOPER. The gentleman is correct.

Mr. STEFAN. As a member of the Committee on Appropriations, I am interested as to just what fund that is. It is not the three-tenths of 1 percent fund that they are going to ask for, is it? Or is it a fund that has accumulated as a result of moneys which have accumulated for administrative purposes; and would that have to be reapportioned? Would the gentleman explain that?

Mr. COOPER. It is not the fund that has been accumulated for administrative purposes.

Mr. STEFAN. I am referring to the three-tenths of 1 percent fund.

Mr. COOPER. The gentleman will kindly turn to page 18 of the committee report. He will see that the committee in complying with the so-called Ramseyer rule, has there included changes in existing law. The Social Security Act, as amended, section 904 (a), that is the present social-security law, is shown there, and the changes provided in the present bill are indicated.

Mr. STEFAN. Yes; but just as an illustration, if my State of Nebraska would have its funds depleted, the money that they collect there for social security is sent here to Washington and placed to the credit of my State; is that not true?

Mr. COOPER. The gentleman is correct.

Mr. STEFAN. Now if that fund becomes depleted, from what fund would they ask to get money?

Mr. COOPER. From the Treasury of the United States.

Mr. STEFAN. Then we would have to reappropriate that money, would we not?

Mr. COOPER. The necessary funds would have to be appropriated for this trust fund now held in the Treasury of the United States.

Mr. STEFAN. The trust fund, as I understand it, has now reached approximately \$6,000,000,000. Would it be that fund from which they would secure this money if the funds of my State would be depleted?

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. REED of New York. I think the gentleman might explain the three-tenths of 1 percent which goes into the

Federal Treasury has built up a fund, and I checked up on it this morning, up to July 31, of \$915,000,000, which is not earmarked.

Mr. STEFAN. That is the fund I am referring to, may I say to the gentleman from Tennessee [Mr. COOPER]. Is that the fund?

Mr. REED of New York. If I may just clear this up, out of that there is spent for administration of the Social Security Board about \$403,000,000, leaving a difference of about \$500,000,000 in that fund.

Mr. STEFAN. Is that the trust fund the gentleman refers to?

Mr. REED of New York. So that I just want to point out the Federal Government would not really be disturbed. This is not earmarked and the Federal Government would not really be disturbed to any great extent, because they have received that amount of money which is in that fund.

Mr. STEFAN. Is that the trust fund?

Mr. COOPER. The gentleman will kindly turn to page 36 of the pending bill and he will find there paragraph (h) containing the following language, "there is hereby established in the unemployment trust fund a Federal unemployment account." This authorizes the appropriation necessary to carry out the provisions of this act.

Mr. STEFAN. But it is not the trust fund to which the gentleman from New York refers? That is the fund the gentleman is referring to and which the bill refers to?

Mr. COOPER. It will be remembered under the Social Security Act the 3 percent tax on the pay roll of industry is levied. Provision is made for a credit to the State of 2.7 percent of the amount paid into the State fund. A credit is given for that. The other three-tenths percent is held for administrative purposes. Now, as I understood the gentleman from New York, he is referring to the amount that has been accumulated from this three-tenths of 1 percent.

Mr. STEFAN. Which is for administrative purposes, and they had an overage of that and it went into the Treasury and is not earmarked for anything, as I understand it.

Mr. COOPER. The gentleman is correct.

Mr. STEFAN. Then they are setting up a surplus fund enough to pay to States whose funds have been depleted?

Mr. COOPER. That is correct.

Mr. STEFAN. In other words, they will have to come in here for an appropriation?

Mr. COOPER. Whatever appropriation will be necessary to keep that fund sound.

Mr. STEFAN. Would that penalize any other States? For instance, some States might remain sound and liquid all the way through. Would we be drawing from some State that has funds to the credit of some States that do not have funds?

Mr. COOPER. No; each State's separate account will be maintained, as I understand it.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. HERTER. In this debate today no reference has been made whatever to a very large class of Federal employees, the merchant seamen, 90 percent of whom are on the Federal pay roll and 10 percent on the pay roll of private charterers. Do I understand, striking out this title means the Committee on Ways and Means is planning to give further consideration and further study to the whole problem of the transition of the plan of the merchant marine and that by striking this out their case is not necessarily prejudiced?

Mr. COOPER. The gentleman is correct in saying that their case is not necessarily prejudiced, because it will be remembered that the reason seamen were not included in the original Social Security Act was because we were told at that time that the same thing obtained as to them as obtains with certain other workers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 5 additional minutes to the gentleman from Tennessee.

Mr. COOPER. We were told the same thing obtains as to seamen as obtains with reference to some other workers of the country and that it was almost impossible of administration. We were told at that time that men were hired and fired and came aboard and left the ship at ports all over the world. A man might join a ship in China somewhere, or he might quit the ship at some port on the other side of the world. We were told at that time it was almost impossible to administer that. I understand that since then the Social Security Board has been working on it, and the point has been reached where they think it can be administered. Of course, one reason farm labor was left out of the original Social Security Act was because of the great difficulties of administration. Maybe a man worked for half a day helping his neighbors save a hay crop or something like that. There were tremendous difficulties involved. The same thing is true to some extent with respect to domestic servants and casual employees. If these groups to which the gentleman refers and has cited one group as an illustration are to be covered under social security, it will have to be done by a separate bill in order that a tax may be levied to provide the funds to pay their benefits because all that could be done here would be to provide for benefits for them which must be paid out of the Treasury of the United States, and no special tax has been levied to provide those funds.

Mr. Chairman, I yield to the gentleman from New York, a member of the committee.

Mr. REED of New York. Mr. Chairman, I yield to the gentleman from Virginia [Mr. BLAND], for the reason I think he has a contribution to make with reference to the merchant seamen.

Mr. COOPER. I will be glad to yield to the gentleman from Virginia.

Mr. BLAND. At the time the Committee on Ways and Means abandoned the subject there was undertaken in the Ways and Means Committee legislation in the way of a bill, which was referred

to the Committee on Merchant Marine. It was considered. Hearings were held and then finally, as the gentleman said, the subject was fraught with so much difficulty that it was referred to a special committee of which the gentleman from Washington [Mr. JACKSON] was chairman. Finally, he worked out a bill and came back in a session of Congress when a bill had not been introduced and was prepared to introduce a bill, and we were told by the Speaker and the Parliamentarian that it would have to go to the Committee on Ways and Means. Though we had had it for about 3 or 4 years and had been working on it trying to find a solution, we found that the Speaker and the Parliamentarian insisted still that it should go to the Ways and Means Committee. Today the Ways and Means Committee has it in its lap.

Mr. COOPER. I believe the gentleman will agree that it will be necessary to handle that by a separate bill, and not include it in this bill.

Mr. BLAND. I would hope it should be included in some way in this bill, but if not, I trust the Ways and Means Committee will give consideration to the report which has been prepared by the gentleman from Washington [Mr. JACKSON] and filed with our committee, and to the bill which is today introduced, because those men have valiantly carried on, and some consideration of that character should be given them.

Mr. COOPER. I would just like to point out, as I said a moment ago, the reason these additional groups cannot be included in this bill is because we cannot extend coverage that would require the levying of a tax in this bill, because this bill originated in the Senate. It will have to be taken care of in a separate bill.

Mr. MILLER of Connecticut. Will the gentleman yield?

Mr. COOPER. I yield.

Mr. MILLER of Connecticut. I have two questions to ask the gentleman. With reference to section 201, on page 31, of the committee bill, I see the purpose of the section, but I wonder if a strict interpretation of that language would prevent the completion of the manufacture of large items that are under way when the war comes to an end. For instance, it provides that any contractual agency shall terminate contracts, and so forth, and then at the very end, it forbids the continuing of the work for anything other than the prosecution of the war. I see the purpose of it, but if they said you could not finish a vessel or a large plane like the *Mars*, it would work a great hardship.

Mr. COOPER. I will be frank and say that that gave the committee considerable concern. There is some different language in the Senate bill. It was brought to our attention if this did not provide definitely and certainly for the termination of these contracts, there would be constant pressure exerted to just continue a particular project a while longer, just to provide work and just to help sustain a community. As was pointed out, great pressure would be exerted for carrying on the projects after the requirements for war purposes had

ceased, unless it was very definitely fixed that they were to be terminated.

Mr. MILLER of Connecticut. It is certainly not the intention of the committee to prevent the completion of the manufacture of a large item, such as a ship or a large plane like the *Mars*.

Mr. COOPER. I think it would have to be interpreted with reason, of course.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MILLER of Connecticut. On page 36, where the language is used several times in the bill, "There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excessive taxes." I wondered why that was used rather than simply saying, "There is hereby authorized the appropriation of all taxes collected prior to July 31." Why use the language "a sum equal to" instead of "all taxes"?

Mr. COOPER. That is simply the authorization of an appropriation to carry out the provisions of this act.

Mr. MILLER of Connecticut. I just wondered if the language "a sum equal to" was any different than to say "authorize an appropriation of all taxes collected."

Mr. COOPER. No; the purpose is to authorize the appropriation necessary to carry out the provisions of this act, and makes proper reference to existing titles of the Social Security Act.

Mr. WASIELEWSKI. Will the gentleman yield?

Mr. COOPER. I yield.

Mr. WASIELEWSKI. If I may return to the subject of unemployment compensation of Federal employees, under normal conditions there is no need for unemployment compensation for Federal employees, because, under civil service, they have a certain tenure which assures them of continuous employment. However, because we are in an emergency, so to speak, we have hired a number of people for the duration plus 6 months.

If those three or three and a half million people are thrown out of employment at the conclusion of the war, their position will be quite different from that of a man employed in private industry. A man may be thrown out of work for a period of time but he has a chance of returning to his former employment when his employer has converted from wartime to peacetime production. So the situation is quite different. On the other hand, the man who has worked for the Federal Government in an arsenal or in some other Government plant has to compete with the returning veterans for whatever jobs may be available. Under those conditions, since the Federal Government has imposed a tax on employers, and the Government has been the employer in this case, does not the gentleman think it would be reasonable to expect that those men would be allowed at least some unemployment compensation until they can find employment? Unless that is done we are going to be faced with a movement to place unemployment compensation on all Fed-

eral employees, and, what many of us are opposed to, we may have federalization of our entire unemployment system.

Mr. COOPER. Of course, there is much merit in the suggestion offered by the gentleman from Wisconsin. As I said in the beginning, this is a rather difficult problem. There is no doubt about it.

Mr. DIMOND. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. DIMOND. I should like to ask the gentleman two questions. First, about title 3, and the amendment therein embraced, to the social security law. The gentleman will observe that reference is made, in title 3, only to States and not to the Territories, either by class or individually. Am I correct in believing that the Territories are nevertheless included in title 3, because of the definition in other parts of the Social Security Act, which includes Territories with the States?

Mr. COOPER. The gentleman is correct. Territories are included in the definition in the Social Security Act, which is not changed at all in the pending bill.

Mr. DIMOND. I should like to ask one further question. In title 4, with relation to public works, provision is made for loans or advances to the States and their agencies and political subdivisions. No mention is made of the Territories. But in subsection (e) of the same section I find the following: "As used in this section the term 'State' shall include the District of Columbia." Can the gentleman tell me any reason why the Territories were not embraced within the section and within the definition therein given?

Mr. COOPER. No; I am not prepared to give the gentleman any reason why they should not be. It would look to me like it might be well to give consideration to an amendment taking proper care of the Territories, as well as the States, as far as the plans are concerned. That is all this relates to—plans for public works.

Mr. MICHENER. Will the gentleman yield?

Mr. COOPER. I yield.

Mr. MICHENER. Do the unemployment-insurance benefits provided in this bill inure to the benefit of any person other than those for whom an employer's tax is now paid under the social-security law?

Mr. COOPER. No. It will be remembered that that is all provided under the Social Security Act. There is no change in that respect provided in this pending bill.

Mr. MICHENER. It does not affect the professional man; it does not affect those where the employment is less than eight persons; it does not affect the domestic in the home; it does not affect the farm hand or the casual employee?

Mr. COOPER. It does not affect any of those because in order to include all of those groups that are not now included in covered employment would require one of two things: Either the levying of a tax to provide the funds to pay the benefits which we cannot do under a Senate bill, as the gentleman well

knows; or, on the other hand, provides an authorization for a direct appropriation out of the Federal Treasury to pay the benefits with no tax having been collected to contribute to the fund.

Mr. MICHENER. Yes; in other words, this bill inures to the benefit only, generally speaking, of those people engaged in war industry who have received the highest wage during the war ever paid in human history.

Mr. COOPER. No; this committee bill provides simply, as does the Senate bill in that respect, for the present State systems to continue just as they are now, and in case the State fund becomes impaired advances money to replenish that fund.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

The CHAIRMAN. The gentleman from Ohio is recognized for such time as he may use, subject to the rules of the House.

Mr. JENKINS. Mr. Chairman, the bill before the House for consideration today has a very colorful history and has traveled a devious and tortuous course in its progress thus far. It is what is left of the Murray-Kilgore bill after a severe legislative mauling given to it in the Senate, and after the Senate had rejected practically all of it and had substituted in its place what has since become known quite generally all over the country as the George bill, and after the Ways and Means Committee of the House of Representatives has dissected from the George bill most of its unwise and unnecessary provisions. The bill before us for consideration is not perfect by any means, but it deals with the most essential provisions of the George bill.

When this legislation was first initiated there were many among the House Members, including myself, who felt that no provision of the original bill was imminently essential at this time. The provisions of this bill, which set up an Office of War Mobilization and Reconversion, are the most imminently necessary provisions. Since the Senate had elected to take action and since the American people have been stimulated by newspaper and other public discussion, it appears to me that it would be wise for Congress to dispose of these features of the bill now. The House has already given extensive and exhaustive consideration to the matter of the disposition of surplus goods and property of all kinds. It would therefore appear that it would be logical for the Congress to take action to provide for the war demobilization of industry and the reconversion of industry. Legislation with reference to the disposition of surplus property is more urgent than legislation for the demobilization and reconversion of business. I say this because there are great quantities of surplus material which are recognized as being unnecessary for further war efforts and are ready for sale and distribution. But the demobilization and reconversion of business and production plants is a matter that must be done more gradually, and for that reason that

program might be more appropriately deferred for a few weeks at least. But since the Senate has acted on the matter it would appear therefore that it should be the duty of the House to proceed to do the same thing.

The Kilgore bill and the George bill carried provisions with reference to demobilization and reconversion of industry and the bill before the House today carries provisions to the same import but the House provisions are a modification of the provisions of the other bills.

The House bill, without a lot of high sounding recitals of promises and purposes as appears in the first 10 or 15 lines of the George bill, proceeds to provide for the establishment of the Office of War Mobilization and Reconversion which is to be headed by a Director of War Mobilization and Reconversion, who is to be paid a salary of \$15,000 per year and who is to serve for only 2 years. It is the intention of those who sponsor this bill from the Ways and Means Committee that the President shall appoint to this office a thoroughly competent man who has had wide experience in business and who is not only capable and wise but one who is honest and will render honest service free from political domination. If the President appoints such a man that step will augur well for the success of the program. If he appoints a flaccid individual without any experience nor character then the undertaking will inevitably be disappointing to the American people.

Within the purview of the activities of this Director will be the task of selling and disposing of the surplus war products for which purpose the House a few days ago passed a very satisfactory piece of legislation and in addition he will have the responsibility of demobilizing wartime industry and of the reconversion of the same. To demobilize wartime industry means not only to have charge of the demobilization of many hundreds of large war plants in the country and thousands of smaller plants but to also have some responsibility to see to it that the men and women employed in such plants are given every reasonable opportunity to seek and find reemployment. It also provides that when many of the large plants now engaged in war work, which were formerly engaged in producing peacetime commodities, are compelled to give up the manufacture of wartime commodities and to return to the manufacture of peacetime commodities that they should be assisted in every reasonable way to accomplish this transformation with the least possible financial stress to themselves and with the least strain on the economy of the Nation and on the welfare of their employees. The task of this man is one that will be worthy of the efforts of the most capable executive in the Nation.

None but a vigorous, capable, honest man should be assigned to this tremendous task and he should draw to his assistance as deputy directors the most capable and efficient men that can be found. Those as manufacturers and those as employees who were responsible for the most colossal era of production that the world has ever seen were not

moved to perform this great task so acceptably by any political motives and those who shall carry on the demobilization and reconversion of these many gigantic enterprises as well as these numerous small business concerns should not be moved by any but the most patriotic motives. Those who carried on to produce war materials were patriotic and diligent and those who dispose of these wartime facilities should likewise be patriotic and diligent.

There were some who argued that the Ways and Means Committee should not have had jurisdiction over legislation such as is set forth in the two sections to which I have just referred. They would be absolutely right in their contention if the legislation contained no other provisions than the provisions to which I have just referred. The parliamentary situation which took this bill to the consideration of the Ways and Means Committee was brought about by the fact that the George bill contained sections which related to the social-security bill. All social-security legislation originated with the Ways and Means Committee of the House of Representatives, and it was the proper parliamentary procedure to refer this bill to the Ways and Means Committee.

As I have already stated, the country expected the Congress to set up legislation that would provide for the disposition of surplus property and likewise it expects Congress to set up legislation that will provide for the demobilization and reconversion of wartime industries. While the last-named type of legislation might have waited a little while it may yet prove that the Congress was wise in taking it up at this time.

It has been the purpose of the Ways and Means Committee to grant to this Director sufficient power to do the task well. Let us hope that none but an efficient director be appointed.

It was the purpose of the committee to provide such legislation as would encourage production of commodities, for the best antidote for idleness is a demand for jobs and the best antidote for inflation is abundant production. This has always been Republican doctrine. All through the Murray-Kilgore bill and even in the George bill there is a very noticeable inclination to express the opinion that great unemployment is sure to come. The New Deal administration has had no experience with any peacetime prosperity. All of its life it has spent in passing legislation providing funds to take care of unemployment. It has never had a vision of increasing confidence in the country and thereby increasing production and thereby increasing employment by natural methods which not only make a happy people but would make a solvent Treasury and a prosperous country. Wealth comes only from the products of the soil plus the result of human industry and human ingenuity through what we call agriculture, labor, management, and so forth.

PAYMENT OF UNEMPLOYMENT COMPENSATION TO FEDERAL WORKERS

Ever since the passage in 1935 of the Social Security Act there has been a

group in the United States who have been determined to federalize this great program. The States have stubbornly resisted all these attempts to invade the State systems. Never in my experience have I seen such unanimity on the part of the States of the Nation as is manifested on every occasion when their rights in this field are being invaded. They appeared as a solid phalanx in the Senate in opposition to the federalization of this program. The Senate reacted very commendably to this decisive support of the sovereign States of the Nation and it refused to pass the Murray-Kilgore bill which would have invaded the rights of the States, but in place of that bill they came forward with what is known as the George bill.

The Ways and Means Committee, after exhaustive discussion and consideration, decided to remove from the George bill that section which sought to set up a plan whereby Federal employees would be paid unemployment compensation. The George bill had provided language which when perused gave one the impression of plausibility. But when the Ways and Means Committee sought to apply this language to the problem and the task before it, it found that the plan expressed in this plausible language was practically impossible of administration. Persons well versed in the set-up of government were forced to the conclusion that it was impossible for them to set up any plan that could be carried out except a plan whereby all Federal employees of every kind and description would be included. I think that it never was the intention that any Federal employee should be included except those who would be considered as workers in temporary munitions plants. It surely was not intended that regular employees who were heretofore employed in defense plants should be included and more surely yet it never was intended that men and women working in offices in Washington who have been employed in Washington for many years and who have had, and do now have, the protection of civil service and who have built up healthy retirement funds for themselves under Government protection, should be included. It surely was not intended that men and women working in the regular establishments of the Government such as the Post Office Department and in the State Department and in the Consular Service in foreign countries, should have been included. But to draw the line as to what should have been included and who should not have been included was an impossible task. In this connection, I might say that under State laws which provide unemployment compensation to workers in the various States, no provision is made for compensation for State employees.

There is a very basic difference between Federal employees and employees of private industry in the various States. This difference can be best seen in a brief consideration of the philosophy underlying the establishment of the social security bill, of which unemployment compensation is a part. The basis of unemployment compensation is the congress-

sional action taken in 1935 in the Social Security Act when it was provided that all employers of 8 or more persons anywhere in the United States should be compelled to pay a tax of 3 percent of the pay rolls of that company. Upon salaries or wages of persons earning over \$3,000, the amount above \$3,000 was not subject to this tax. This 3 percent tax on all the pay rolls of the Nation represents a tremendous amount of money collected each year. The Federal law provided that of this 3 percent, 90 percent was to be credited to the States out of which the States could pay unemployment compensation to the employees of the employers covered thereunder and 10 percent of the 3 percent should go to the Federal Government to bear the expense of administration. Therefore it can be seen that the basis of the unemployment compensation system is a tax on pay rolls. An employee had a right to feel that when he accepted employment from an employer who had paid this tax that he would have the protection of unemployment compensation. Whereas a person who accepted employment from an employer who did not protect his employees by the payment of this tax knew, or should have known, that he would not be protected by unemployment insurance. In other words, the unemployment compensation as carried on in the various States is a very worthy economic program.

Public employees are not included under its protection. If public employees of the State are not included, why then should Federal employees be included and paid out of State funds when the Federal Government was not paying the 3 percent which private employers were compelled to pay? This might be answered with the statement that under the George bill the Federal Government would reimburse the States. That kind of a program once launched would spell the ruination of State control systems. The Federal Government would stand in the same relative position as a man who holds a mortgage on another person's home. The Federal Government could not tax itself to make these 3 percent payments. The Federal Government does not tax itself for anything. The Federal Government is a creature of the States and it has been given certain powers under the Constitution and the power to tax itself is not one of those powers granted to it.

There is no question but that any system or any plan provided under the George bill would surely be an invasion of the right of the States to control unemployment compensation which, right they have so zealously guarded up to this time. As I have already stated, it was the sentiment of the committee that some Federal employees, such as those who earn small salaries and who are not under Civil Service and who have accepted temporary jobs under the Government and who may find themselves out of employment might with propriety be taken care of. The best method under the Constitution by which these persons could be helped is to raise their salaries. And again, no doubt, there will be some Federal employees who are em-

ployed in Government munitions plants who may find themselves out of employment. But it is a well recognized fact that practically all these employees have because of the war been paid much higher wages than they could expect in peace times and no doubt have accumulated something which will tide them over until they can again become located. To the everlasting credit of many of these employees, it may be said that they have most patriotically subscribed for bonds and have permitted bond payments to be taken from their wages and salaries. These bonds will no doubt fortify them against the shock incident to immediate shut-down due to the termination of the war.

ADVANCES TO STATE UNEMPLOYMENT FUNDS

The Ways and Means Committee although striking from the George bill the provisions providing for unemployment compensation for Federal employees does recommend the passage of that section of the George bill which provides for advance to the State unemployment funds. This provision provides that in case any State shall by reason of unusual demands on its funds for the payment of unemployment compensation exhaust its funds and thereby be threatened with failure to meet the legal demands thereon, then the Federal Government will advance to that State sufficient funds to enable it to meet its current demands. The money advanced by the Federal Government will come from that fund which the Government has established by reason of the payment to the Federal Government of a portion of the taxes which I have heretofore referred to. Although the amount payable to the Federal Government out of that tax is only 10 cents on each dollar collected, it has come in in such a great volume that there is in that fund many millions of dollars. It is from that fund that these advances will come and any State receiving such advances is charged with the same and must repay the same.

It may be argued that this is a case where the Federal Government will inject itself into the unemployment compensation set-up as now administered by the States. It is true that this might be thus considered but when it is further considered that the legislation provided in this bill shall all terminate in 1 year after the cessation of hostilities, or when the Congress shall so decide, it is not a very dangerous threat. At least it is not an imminent threat. Should it develop into a serious situation future Congresses can easily cope with it.

No one knows whether there will be any serious unemployment after the war; on the other hand, the country might be confronted with the serious problems that arise when many millions are unemployed. This provision to which I am now referring is intended to guarantee the States that they may be able to carry their burdens. Some States may have additional burdens as the result of a great influx of persons from other States. However that may be, the committee felt that while Congress is giving consideration to this matter that it is wise to pro-

vide against every reasonable contingency.

RETAINING AND REEMPLOYMENT

The Murray-Kilgore bill contained a provision for retraining and reemployment. The George bill also contained a similar provision. This was a section that would also have provided for the payment by the Government of the transportation expenses of workers from place to place and back to their homes. This section invoked much controversy in the Senate and much comment all over the Nation. This would have been a great step in the direction of national socialism. The standards for choice of employment, and so forth, set up under the Murray-Kilgore bill made it practically impossible of administration. These standards were modified somewhat in the George bill. But the question for decision is whether we, the United States, are ready to embark on a program where the Government will practically control the movements and the lives of practically all the workers of the Nation. Congress has already set up a retraining program for the World War veterans. Many of these veterans will come home wounded and impaired in health. Most of the World War veterans are young men, a large percentage of whom were taken from the schools and colleges and from the training courses. There is every reason for offering these training facilities to veterans. But the Government does not use any force or coercion with the training of veterans. It is all voluntary and optional. While it might be argued that the Government's program of training employees would not be compulsory or coercive, there is an entirely different psychology among workers than there would be among disabled veterans. The program to train workers would tend to bind them together and eventually put them into ruts out of which it would be difficult for them to extricate themselves, while the training of veterans would be, as I have already said, entirely voluntary and would have a tendency to demobilize them rather than to regiment them.

But the greatest practical objection to this section of the George bill, in addition to the fact that it would infringe upon the training program layed out for veterans, is that it is not necessary because already practically every State in the Union has an extensive training and rehabilitation program which programs are carried on extensively and successfully. And again practically all the large industries and manufacturing concerns of the country have training schools in which are enrolled many thousands of persons, which training courses have been very successful. And again there has been set up in the public schools of the Nation very extensive training courses. Practically every high school in the land has been equipped for the carrying on of Smith-Hughes programs in agricultural sections and other manual training courses for boys and girls in practically every city and town of the Nation.

There is no question that there is a tremendous sentiment in the Nation

which is opposed to the Federal Government's entry into the public schools and into the colleges and universities of the land. Financial aid from the Government is an entirely different proposition than management and control by the Government. The training courses provided in the George bill and the Murray-Kilgore bill would have injected the Federal Government into the home life and activities of many of our people. When this is once done, it would readily extend to the school and college activities also.

The bill for consideration before the House today and which has been recommended by the Ways and Means Committee of the House of Representatives contains no provisions with reference to retraining and reemployment.

PUBLIC WORKS

The bill before us for consideration contains another provision, the title of which is "Public Works." The purpose of this provision is to encourage and stimulate demands for the construction of essential and worth-while public works. The idea is to obviate the necessity of a program such as has been employed by the Roosevelt administration since its inception and to which we usually refer as the W. P. A. There is no question but that millions of dollars were wasted on foolish and inconsequential W. P. A. projects.

If this public-works program were carried out honestly and sincerely, there is no doubt that much benefit could be secured therefrom. I shall support the bill with the public-works program included in it, but I must admit that there can be many plausible and convincing arguments made against the inclusion of the public-works program in this bill.

I have alluded casually to some of the benefits, and I shall now stress some of them. One is that it would advise the Federal Government of what programs the various States and municipalities have in mind and might be anxious to project. Another benefit would be that a program of public works could be ready and could be advanced quickly in case great unemployment should develop in the country.

The objections that might be advanced to this title would be that the States and municipalities already have a rather complete and in many instances very worthwhile projects program for which they have already made plans and which they could advance on very short notice. Another objection that might be advanced to this title is that it tends to establish another National Resources Committee. The following language in the bill would indicate as much:

loans or advances shall be made with respect to any individual project unless it conforms to an all-over local or regional plan approved by competent local or regional authority.

It is claimed by those who are the principal advocates of this title that the language as recommended by the Ways and Means Committee as is incorporated in this title has rendered the intended program practically unattainable. They seem to object strenuously to the failure

of this title to carry any provision for grants by the Federal Government. The fact that this title does not contain provision for grants and on the other hand requires that any money advanced by the Federal Government should bear interest will guarantee that no National Resources Committee program will be advanced.

I agree most heartily with the action of the committee in guarding against any wild and reckless grants of money by the Federal Government and also against the organization of any National Resources Committee program that would inject the Federal Government into the activities of the municipalities and States and local subdivisions of the Nation.

Summing up, therefore, let me say that this bill does the task for which it was principally planned. Congress has been confronted with two tasks that have come to it by reason of war activities and the imminent approach of cessation of hostilities. One of these is the disposition of surplus property. Congress has already acted on that subject. The other is the demobilization and reconversion of wartime industry. That is what Congress seeks to do in this bill. I believe that the first two titles of this bill will accomplish that purpose if the President will cooperate by the appointment of able and efficient men and will permit them to operate without official executive domination. Congress cannot do this work itself. It is the duty of the Congress to provide by legislation the manner and method by which it should be done and it is the duty of the Executive to have the work done according to the legislation passed by the Congress. Congress has with due deliberation disposed of the surplus property question and it will no doubt after due deliberation dispose of the matters intended to be covered by the legislation which now is being given consideration by the Congress.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I am glad to yield to the distinguished and learned lady from Illinois.

Miss SUMNER of Illinois. Along the line of the question just discussed, under this bill and under the Senate bill as soon as the funds of a State are exhausted the State is encouraged in effect to come in and ask the Federal Government for money. As I understand it there is nothing to prevent a State's raising its unemployment payments. Why would it not be the part of wisdom to leave out that paragraph rather than furnish that encouragement inasmuch as the States, it is said, have healthy unemployment funds to the amount of \$5,000,000,000?

Mr. JENKINS. I hope that I can answer the gentlewoman; at least I can give her my own reasons for my position favoring that provision. I was one of those who felt, and still feel, that it is almost impossible to adopt a system whereby unemployment compensation can be paid to Federal employees unless we paid it to all Federal employees. I was one of those who at first felt that

probably we had better strike out this provision to which the lady directs her question, but here are several reasons why we should keep this provision in the bill: We hope there will not be nearly as much unemployment as many people believe there might be. Personally I think there will not be, because all the States and manufacturers are making plans to cope with it. The big industries of the country are laying their plans. In other words, I think we are running out to meet trouble, running out to meet something that may not happen to us. But suppose it does happen. Suppose there may develop great and unanticipated unemployment in a particular State thereby threatening the solvency of that State's fund without any fault of that State. Let us cite California, for instance. I do not mean to say California will be carried down but I daresay there are more transient people now in California than in any other State. They moved into California because of the fine climate and for various other reasons—I want to square myself with California now in that respect—but suppose California finds her funds depleted through no fault of her own, then we would be criticized if we failed to take appropriate action to care for this great population that might be thrown out of employment. The Social Security Administration has, as you know, about \$500,000,000, in a fund which came to it as its part of the 3-percent tax levied on the pay rolls of the country. Why not use that fund if an emergency develops?

Personally I hope no emergency will develop, but I should feel remiss and should feel subject to criticism if I had gone away from this session of Congress and some State should become overwhelmed by the unemployment claims of people—some from my State, some from your State—and was unable to carry its load and we had failed to pass this provision of this bill to get aid from the Federal Government. By doing this we also answer the ungrounded claim that we had done nothing to strengthen unemployment compensation.

You might go further in your opposition to this provision and say that this is a dangerous precedent, and that it is an invasion of the right of the States to provide unemployment compensation. The States are now doing it voluntarily. This fund is in a sense a State fund. The money came from a tax paid to the State. The Federal Government, as has been stated here this afternoon and stated many times, the Federal Government in a sense ordered the States to build up an unemployment compensation fund. Congress passed a law levying a tax of 3 percent on practically all wages and salaries earned in all the States. Farm labor and domestics and some other classes were omitted. It is a State operation, it is a great operation; and it involves the collection of millions upon millions of dollars. Every employee in practically every State has learned to depend upon it. An employee picks his employer with a good deal of care. You can hardly get a man to take employment in a concern that is not protected with unemployment compensation. The

employers pay for it and it is a compulsory tax.

It is said that this plan to guarantee the solvency of these State funds is an innovation, and that it will be abused; that some States, as the gentlewoman from Illinois suggested, might build up greater benefit payments and exhaust their surpluses immediately and then depend upon the Federal Government. This may be true, but I hardly think it will, but, if so, there will be another Congress.

Miss SUMNER of Illinois. You are going to invite the rest of the States to compete with them.

Mr. JENKINS. If that develops it will be unfortunate, but I do not believe that will develop.

Mr. MILLER of Connecticut. Are not these loans by the Federal Government, not gifts?

Mr. JENKINS. They are not grants, they are loans; they must be paid back. True, they do not carry any interest charge, but the money must be paid back, every dollar of it.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to my distinguished friend from Connecticut.

Mr. MILLER of Connecticut. There are some who feel that the States should not be required to exhaust their funds because the burdens created in certain States, California and other industrial States—Connecticut happens to be one of them—are burdens created by the war effort. Perhaps 60,000 additional workers came into my district to work in the war effort. The benefit goes to the Federal Government, to the country as a whole. Why should not the Federal Government protect the State against depleting its funds for these workers in the common interest? There are those who feel that the fund should come out of the Federal Treasury, that the States should not have to shoulder the burden completely.

Mr. JENKINS. Of course, if these are Federal employees the burden will not be on the State, for the States are not required to pay to Federal employees. I believe the committee, if it could have done so, would have devised a definite system by which these employees could be classified, but they could not do it. Let us take for example Federal employees who work in these arsenals. I can state to the gentleman that we canvassed the situation and the civil-service experts and everybody else from whom we could get information said it could not be done. Let me give an illustration. Here is a man working in an arsenal in your district and has been working there steadily for 20 years. Here is a new war employee who came from Mississippi working in the same arsenal alongside the veteran employee and getting the same wage. Can we in justice pay the new war employee unemployment benefits without paying the other fellow who is an old employee? Or, across the street from the arsenal is a factory in which the employer's earnings are taxed 3 percent. The employer has paid his tax and his employees want to work for him because they know they

are going to get the benefit of unemployment insurance. Here comes along a man from Florida who goes to work in the arsenal where he knows he will have an easier job and probably get more money. Would it be fair to give the man employed in the arsenal the same benefits as received by the man upon whose wages taxes were paid to create a State fund, out of which the man could be paid unemployment compensation?

If you retained the provisions of the George bill and pay unemployment compensation to Federal employees you are going to pay them out of State funds. It is impossible to do it otherwise. There is only one way to pay these Federal employees and that is for the Federal Government to say: "We will set up an unemployment fund ourselves and provide for Federal employees." Very well, where would that stop? When you do that it is impracticable. Do you want to pay the mail carrier who delivers the mail in your city? There is no more popular Federal employee. Do you want to pay the man who is working down here in one of these departments and who has been there for 20 years and who makes seven or eight thousand dollars a year? He has a big retirement built up. You are getting away from this girl or farmer who moved into the city to take employment in one of these war plants.

Who wants the Federal Government to set up this kind of an agency? Not many of us want that because then the Government will work in direct competition with the States again. What is the use of getting all heated up about this whole thing? There would not be this heat but for the fact we passed the G. I. bill. We did pass a G. I. bill which sought to look after our veterans, but there is a difference between a G. I. boy and an employee who works in an arsenal. The man who works in an arsenal did not lie in the foxholes in various foreign lands and face death in many forms. It is not necessary for me to continue along that line. There is a difference and a very vital difference. What we did for the G. I. boys we did in line with what we have done following every war. We are giving him consideration, but you cannot place the G. I. man in the same category as these other men.

If anybody had come forward with a formula that would have taken care of these people that we describe as unemployed war plant workers, the man and girl who has come from far away places and taken a job in a munitions factory and then finds himself or herself out of a job and away from home, and presented that formula to the Ways and Means Committee we would have considered it carefully, because it appeals to every fair-minded person. But no such formula was presented and none can be presented so far as we have been able to ascertain. What is the use of committing ourselves to an expensive program to meet that exigency which we hope will never develop? If it did develop, would you pay the civil service girls down here who are getting \$120 a month, who cannot get a place to live in this city? What are you going to do

about them? There you are opening the door and you solve nothing, you get nowhere. You must pay all Federal employees in all parts of the world or pay none because it is impossible to classify them.

Mr. NORRELL. Will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Arkansas.

Mr. NORRELL. As I understand it, if it becomes necessary for any loans to be advanced to the States, the loans will come out of this unemployment reserve fund. With reference to the question propounded by the gentlewoman from Illinois, let us assume that it becomes necessary to make these loans and this \$500,000,000 should be exhausted. Then what would the situation be?

Mr. JENKINS. We would be required either to discontinue the practice or appropriate money from the Treasury of the United States. You would have to meet that emergency when you came to it.

Mr. NORRELL. It would come out of the general revenue fund of the Federal Government unless in the meantime a tax should be passed?

Mr. JENKINS. Yes; it would have to come that way.

Mr. WRIGHT. Will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The gentleman spoke about the folly of going to a lot of expense for a contingency that may not arise. There would not be any expense unless the contingency did arise. But suppose we are overwhelmed by a flood of unemployment and we do not take any precautionary measures, the gentleman can realize the disastrous effect that would have.

Mr. JENKINS. You can put the Federal Government in the unemployment-compensation business and thereby invade the systems of the States. After you exhaust the \$500,000,000, I do not know where else you will go, but we will have a Congress as long as we have a government, and Congress has never yet failed its people. Why should we assume that the next Congress will be impotent and be unpatriotic? We will meet that emergency when it comes. We have put up about \$500,000,000 in anticipation of that situation, and that is the best we can do.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. Does not the gentleman think it would be a good idea to postpone consideration of this legislation until the Commander in Chief and his aides make up their minds whether we are going to have a depression or inflation? This bill assumes we are going to have unemployment. Before we left we had a price-control stabilization bill, assuming wages were going to be higher, and we had to have ceilings on wages and prices. Does not the gentleman think, before we pass this bill, we ought to make up our minds what it is to be?

Mr. JENKINS. There are some people who will agree with the gentlewoman, but we are in the midst of this matter now. The Senate has passed a bill and the public expects us to take some action. We have an obligation to the people and we must discharge that obligation now.

Miss SUMNER of Illinois. We are shooting both ways at once.

Mr. JENKINS. Well, I hope nobody gets shot.

Mr. KNUTSON. Will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Minnesota.

Mr. KNUTSON. If we were to follow the suggestion of the gentlewoman from Illinois, and defer consideration of this legislation until the administration and the Commander in Chief made up their minds, that would be tantamount to postponing consideration indefinitely?

Mr. JENKINS. Yes. I thank the gentleman for his observation.

Mr. STEFAN. Will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Nebraska.

Mr. STEFAN. As I understand it, title III of this bill merely covers those who are now covered by social security unemployment insurance?

Mr. JENKINS. That is right.

Mr. STEFAN. Is it intended in this bill to increase that?

Mr. JENKINS. No; not any.

Mr. STEFAN. Then why are you changing the Social Security Act in title III?

Mr. JENKINS. We are not making any change in the law controlling the States in their handling of unemployment compensation.

Mr. STEFAN. There is no intent to increase the amount they are to receive?

Mr. JENKINS. That is fixed by State law. The State fixes that itself.

Mr. STEFAN. Why do we write title III into the bill then?

Mr. JENKINS. We take out of the bill that section of the George bill that provides for the payment of compensation to Federal employees and leave the other section which does the things we are talking about; that is, which guarantees the solvency of State funds.

Mr. STEFAN. You leave the social-security unemployment compensation as it is now, to be administered by the States?

Mr. JENKINS. We leave that alone. We do not invade the rights of the States.

Mr. STEFAN. Then why the reference to the \$500,000,000?

Mr. JENKINS. Because some State fund might become depleted. If it does, then the Federal Government would be authorized to advance to that State's account out of this \$500,000,000 fund whatever amount the Board should decide it would require and then charge the State with that amount and compel its repayment later.

Mr. STEFAN. Why are you going to deplete the fund that we have now of approximately \$6,000,000,000 in the social-security fund?

Mr. JENKINS. Nobody is going to willfully deplete that fund. The reason

the States have this \$6,000,000,000 surplus is because in these wartimes there has not been very much demand on the fund. Employees have not been coming in to get the unemployment insurance because they were not unemployed. In other words, they have not been idle. They do not get unemployment insurance until they lose their jobs. We are anticipating that after the war there may be much unemployment and a consequent tremendous demand for collection of unemployment insurance.

Mr. STEFAN. We are anticipating that by title III?

Mr. JENKINS. Yes.

Mr. MILLER of Connecticut. Will the gentleman yield again?

Mr. JENKINS. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. The gentleman spoke of unemployment after the war. He might be interested to know that in the city of Hartford, Conn., designated as a critical area, last week 1,304 people applied for unemployment compensation, and this, as I stated, in a critical labor scarcity area.

Mr. JENKINS. They had better revise their appraisal of critical labor scarcity areas.

Mr. MILLER of Connecticut. Yes; I should think so.

Mr. JENKINS. Mr. Chairman, let me proceed again with a discussion of one feature of this bill which I have already discussed but which bears repetition. It has been said on this floor today that the pending bill does not do anything. The attack on this bill is going to spring from that sort of philosophy. I think that amendments to be offered to the bill are going to be based on the assumption that the bill does not do anything.

Let us see if it does or not. What does it do? I stated awhile ago that the people of the country have been very much agitated about this bill. Why? Because the bill has had a very tortuous course. It has been before the public a long time. It originated in the Senate as what was known as the Murray-Kilgore bill. What happened to the bill? We have a right now to stop and consider this for a minute. Another body of this Congress debated that proposition for days and days. What did that body do? That body by its vote overwhelmingly defeated that bill.

There will be an effort made here in the next few days to put back into this bill some of the provisions of the Murray-Kilgore bill that were rejected in the Senate overwhelmingly.

Mr. Chairman, the war is going to leave us two great problems absolutely due to the war. One of them is the question of disposal of surplus property. This House has decided that issue. It took us a long time to do it, but this House did take it up in a statesmanlike manner, gave it thorough consideration, debated the bill thoroughly and passed the bill methodically.

In due time that bill will reach the Senate, and then it will reach the conferees and it will be disposed of.

It was brought out before the Ways and Means Committee that almost the only

personal assets this Government owns today, outside of its gold down in Kentucky, are these supplies the Government has on hand. That is the principal asset of the Government by way of personal property. There is fifty to seventy-five billion dollars worth of it. And maybe more. We are going to sell it. What else can we do? Therein lies a great task.

We have before us another great war problem. I refer to the problem that comes from the necessity to demobilize and reconvert many large industries that have been built up to produce war material of all kinds. There are plants that the Government has spent billions of dollars to construct. There are thousands of men and women who have been trained to do many kinds of war work. Those men are going to be dislocated in their employment and those plants are going to be transformed. Who is going to do this tremendous task? While it is the obligation of Congress to do it yet Congress cannot in fact do it. It is a job for the executive branch of the Government but it is the duty of Congress to provide the plans by which it is to be done. And that is exactly what Congress is trying to do by this legislation. We talk so much about unemployment compensation and retraining and those other things. As I said before, we would not have had the training program if it had not been for the G. I. bill. A great number of people in this country believe that this unemployment compensation should be federalized. They have always felt that way, and this movement is spearheaded by that same sentiment to federalize unemployment compensation.

These things are all collateral to the real issue before us. The real issue is what is this Congress going to do to demobilize these industries and reconvert them? I say that is our responsibility. We built them up. We furnished the money. What are we going to do about it? Just lie idly by and let them demobilize themselves and reconvert themselves? No. We are going to provide in this bill that a man be appointed to direct the affairs. Who is he going to be? I do not know. Who is going to appoint him. The Chief Executive will appoint him; the President of the United States, who should appoint him, and who should see to it that the right man is appointed. We are going to pay him a big, fine salary of \$15,000. And we are going to provide what he shall do. We lay down a chart in this bill describing what his duties shall be. He shall proceed with an abundance of power and authority and with the dignity and with the honor of the Government behind him and with the right arm of the President supporting him. He is going to proceed to reconvert these industries. In this bill we provide some specifications. How near do they approach those in the George bill? Why, they are practically the same, but there is some difference. There is just the difference that 15 Democrats and 10 Republicans, as members of the Ways and Means Committee, working together for 2 weeks, thought it would be necessary to make the bill more work-

able and more acceptable to Congress and the country.

This legislation provides that the Director of Mobilization and Reconversion shall operate under the directives of the President as far as Presidential directives apply, and also in part under the provisions of this law. The Presidential directives will of course apply while the war is on, but not longer, and we may want to be permitted to operate without Presidential directives, but so long as Congress authorizes the President to issue these directives in wartime, we cannot complain now. Let us hope that the President will appoint a capable man and this man will do a good job without Presidential dictation. Let us not have another exhibition such as that given us recently by the quarrels of Donald Nelson and Charley Wilson.

You might say in connection with this legislation that this might be done and that might be done, but when you point to unemployment compensation and when you point to retraining you point to two propositions that are absolutely extraneous to the real purposes of this legislation. In this bill the Congress has an opportunity to discharge its duty and responsibility to two very important and far-reaching problems. I am sure we will not fail.

(Mr. JENKINS asked and was given permission to revise and extend his remarks.)

Mr. KNUTSON. Mr. Chairman, I yield to the gentleman from Kansas [Mr. CARLSON] such time as he may desire.

Mr. CARLSON of Kansas. Mr. Chairman, everyone must realize that our Nation faces a most difficult problem in the transition from a production for war to a production for peace.

The productive capacity of our Nation has been expanded to a degree that seemed almost unbelievable a few years ago. This great expansion of production by private industry has demonstrated to the world the ability of a democracy to organize for war production. As a free people we have far surpassed those nations ruled by dictators. Is it not possible to believe that we as a nation can produce the same volume of goods and distribute them for the betterment of humanity? Surely we can reverse our national operations and produce for constructive purposes instead of destruction.

In my opinion there is too much of a defeatist attitude regarding unemployment at the conclusion of the war. I do not minimize the problem. However, I do sincerely believe that industry, which was so successful in reorganizing for war can also organize successfully for peace, if given an opportunity.

The Government can play an important part in this transition but it must not write legislation or enact laws that will impede or strangle the efforts of industry. We must keep in mind that social security is not a substitute for employment at useful work. There is only one answer for production and distribution of goods and that is jobs—full employment in private industry operating at a profit. It seems to me the issue facing Congress in the enactment of the proposed legislation is far deeper than

the expansion of the social-security program. The decision we make on this important legislation will determine whether our Nation is to get back to the basic principle of prosperity through production rather than a false prosperity through the distribution of Federal funds. The issue is drawn in the basic differences between the George bill and the Murray-Kilgore-Truman bill. There is one thing about the future of America on which all parties are in agreement. That is—we must have a higher volume of production, more widely distributed, and a higher national income than we had before the war if we are to maintain our social system. This seems to be agreed upon by economists, bankers, the C. I. O., and every other group. We cannot face the inevitable burden of debt and the inevitable maladjustments that will follow the war unless our national income greatly exceeds the pre-war period.

To attain a sound national income of sufficient proportions to carry this burden of debt and Federal expenditures we must produce in a greater volume and more efficiently than we have ever done before. There is another way of getting a high national income in dollars. That is to draw from the Federal Treasury expendable currency and charge it to the future by increasing the debt.

It is my contention that this bill clearly brings before the American people the choice between these two philosophies. I am casting my lot with the first philosophy—quantity production, wide distribution, and high income. This is no doubt the most difficult way, and calls for character, hard work, and intelligence. It also will require the tightening of the belt. The second way is the most attractive. The road down is the easiest to take. It postpones the troubles of today for the future. It may be easy, especially in a campaign year, to urge more and greater benefit payments from the Federal Treasury. It may be that the latter method means votes in the ballot box. Yet, I cannot believe so. Our Nation from its beginning has developed because of the character, integrity, and sturdiness of its people. If we are to continue to grow and expand we must again get back to the fundamental principles of sound government. Continuous deficit financing should end with the war. As I stated previously, the issue before the House today is greater than one of weekly payments and the number of weeks to be paid in unemployment compensation. The fundamental difference is the difference between the philosophies of the two bills. While the George bill may cost the Nation a few billion dollars, the Murray-Kilgore-Truman bill is estimated to cost twenty to thirty billion dollars, and is but the beginning of a great program of Federal spending of borrowed money in order to maintain national income.

The next logical step is the W. P. A., with all its attendant evils. This solves no problem permanently.

Regardless of the temptation to be big-hearted and liberal during an election year, I sincerely hope this House will seriously consider the effect of adopting

the program of increasing national income by distribution of funds from the Federal Treasury.

Let us, instead, follow the first course and build a production program the like of which has never been dreamed. To do this we must give every encouragement to industry.

First. Wartime restrictions on priorities for materials must be eased as rapidly as possible.

Second. Taxes must be reduced and rationalized so that little business may become big business.

Third. Federal regulations and restrictions which have forced thousands of small concerns to close their doors must be removed. The George bill, as amended, is the realistic approach to the problem. The Murray-Kilgore-Truman bill represents the type of political philosophy that perpetuates the unsound theory of prosperity through Federal spending of borrowed money.

I want it definitely understood that I am not satisfied with the present social-security program.

The present program of unemployment compensation and old-age survivors insurance is so unfair to millions of our people that it should be restudied immediately. If we are to have a national social-security program let us make it truly national.

Under the present law millions of our citizens are contributing directly and indirectly to a national social-security program, under which they can receive no benefits. These same individuals are taxed both directly and indirectly for the cost of the program. Contributions for unemployment compensation are paid by the employer by a 3-percent tax on pay roll. No one is so naive as to believe that the employer pays the tax. He is merely the collector. If he produces goods for the Government the Government pays the tax. If he produces goods for peacetime consumption the consumer pays the tax. In any event the citizen is taxed directly or indirectly for the entire cost. Old-age and survivors insurance are paid for by contributions of 1 percent each by employer and employee. Certainly no one would argue that the Government or citizens generally do not pay for a large portion of the cost of this program.

It was because of this unfairness that I have introduced in Congress during the past several sessions a resolution providing for a joint study by the House and Senate of the entire social-security program. We have now had about 10 years' experience with the operation of the present act and I contend it is time we review its effect on our national economy and our citizens generally. We should give serious consideration to the operation of the program at present as well as its effect on our citizens in the Nation generally.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. CARLSON of Kansas. I yield.

Mr. KNUTSON. If we were to adopt and follow the system outlined by the gentleman, depending upon continual Federal aid, it would inevitably lead to a situation where we would have to make

our living by taking in each other's washing.

Mr. CARLSON of Kansas. I am in accord with the sentiment expressed by the gentleman. After all, we just cannot continue the program that we have been following for years of deficit financing for increasing national incomes.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. CARLSON of Kansas. I yield to the gentleman from Oklahoma.

Mr. DISNEY. Who is really going to bell the cat?

Mr. CARLSON of Kansas. I presume the American Congress is going to have to think this thing through and think seriously as to how to work it out. We must also have the support of the people.

Mr. DISNEY. I agree, but generally speaking I cannot see any results along that line. I do not deprecate the efforts of any individual in either party, but it seems to me that unless there is a limit put on us, the Congress of the United States, as there is on every other money-spending body in the United States, it will continue as it is now.

Mr. CARLSON of Kansas. I have every reason to believe that we are going to start thinking sanely and constructively. The one answer is production and distribution of goods rather than the spending of borrowed Federal funds. We must have a higher volume of production—more widely distributed and higher national income.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. CARLSON of Kansas. I yield to the gentleman from Ohio.

Mr. ROWE. It is hardly fair for us who are charged with the responsibilities of this day to expect the coming generation to pay not only their own debts but ours as well.

Mr. CARLSON. That is very true. I am in accord with the gentleman.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may care to consume to the distinguished gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I ask your indulgence for the brief period which I may find necessary to encompass my thoughts with regard to the measure pending before the committee at this time.

Of course, everybody is familiar with the provisions of the far-fetched Murray-Kilgore bill. I am sure the Members of this House are equally informed with regard to the conservative bill which was produced as a result of the labors of the Senate and which bears the title of the George bill.

No one has ever charged Senator GEORGE with any extremist views or any radicalism, and I am quite certain that I can say with good grace that I am in good company when I willingly and anxiously support most of the provisions of the George bill. Frankly, I say to you that I was not in agreement with the bill as presented to us and I certainly am not in agreement with the bill which is brought here by the Committee on Ways and Means, because I consider the bill to have been emasculated, eviscerated,

and bruised to the point where you cannot recognize the original.

With all due deference, I say that if it were not for the fact that we aim to provide loans to States to guarantee solvency where the unemployment compensation fund of a State has been or might be impaired, the bill, frankly, would not have been presented here because we of the Committee on Ways and Means would have lost jurisdiction. I am certain there is no other excuse for this bill's being presented by the Committee on Ways and Means except that it has in it a vague, remote possibility covering unemployment compensation. In order to bolster that, because of jurisdictional claim and of an extreme and feigned apprehension of possible impairment of these State funds, we provide loans by the Federal Government without interest.

I do not think a scintilla of evidence has been presented here to indicate that these funds will ever be impaired. I do not see how they can be. They are substantial in themselves and I hope will meet just about all the requirements and strain on the present scale of benefits. There would be some sense in providing loans to States if the level of benefits were provided was raised as I sought to do through an amendment which I offered to the bill in committee and which was defeated. I hope to present the same amendment to you, and I hope it will be acted upon favorably tomorrow or the day after.

Mr. Chairman, the bill presented to us indicates clearly by comparison that, among other things, the Committee on Ways and Means struck out even the reference to the objectives; in other words, we did not want the world to know what the objective of the bill was, and you could not leave the objectives in the bill after you started kicking the stuffings out of it. So the objectives declaration had to be stricken out because you took out all of the entrails and the backbone, and it could not stand up.

We struck out provisions for Federal employees. It is a complex question, I grant you, but it was not a problem which was insurmountable. We could have made provision to cover the problem. My good friend the gentleman from Virginia [Mr. ROBERTSON], who is not a radical either, was very anxious to work out something to take care of hundreds of thousands of employees in shipyards and those generally employed in industry by the Federal Government itself. But they are not in the bill, they were stricken out with a vengeance.

The question of retraining came up and that too was kicked into a cocked hat. The bill provided also for a travel allowance. While I was one who did not subscribe to any wild-eyed provision in a bill which would permit workers to joy ride or to travel all over the country and finally get home via Chicago, Milwaukee, St. Paul, Seattle, Dallas, and St. Louis, and then get back in a roundabout way to the Corn and Cotton Belts. I was in favor of allowing an employee who came to Detroit from Tennessee, Kentucky, or

Alabama after he finished his patriotic service to his country, by helping us produce buckshot and bombs and other things needed to give the Hun hell, which he deserves, I was willing when the time came to send him back home that we should allow him a reasonable amount in rail fare. Because, we do not want him in Detroit. He will be a problem there to us and to himself and he will be drawing unemployment compensation. I thought it would have been the better part of wisdom and I thought it would be economically wise to send him back to the Corn or Cotton Belt where he will be needed and where he created a problem by his absence. So I wanted to send him back there. What was wrong with that? Well, the committee was just determined that they would not permit it and struck out the entire provision having to do with travel.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Not at this point. I would rather finish my statement. So that was wiped out of the bill. The question of retraining came up. I was not one of those who believed that we ought to retrain every Tom, Dick, and Harry. As a matter of fact I think it is silly to try and retrain a fellow who was put on at the Ford motor works turning nut No. 411 by hand or retraining a man who used a power wrench, or someone who applied a certain amount of leverage with one jerk of a large hand wrench. I do not think it is necessary to retrain him. It was not necessary to train him in the first place. So I could not go for that. Nor did I think, for example, that it was proper to go in for retraining some of the women in my friend's State of California who have learned how to use a blow torch and how to do riveting on airplanes, because those women went in for patriotic reasons, to aid their Government, to stand by husband, to stand by son, or sweetheart who was in the service. What she or they earned was a windfall. I think I was reflecting the sentiment of the craftsmen and trade-unionists of this country, who know that they do not want to extend a lot of retraining because I know they are already restricting their own apprentice and training programs. They do not want to create competition with well-trained journeymen. But there was a need for coordinating the training provisions for which so many governmental agencies today have authority. I thought it would have been wise and that it would have been economical to make some such provision. There is too much duplication and overlapping which needs coordination to reduce it. But again the great majority of the committee decided that there shall be no mention of it, and kicked that into a cocked hat. Therefore, that is out. Now my contention is solely and only, and my opposition is predicated upon the fact, that we have gone too far in our purging of this "radical" George bill. Then we provided for a reduction of the life of the bill from 2 years to 1 year. Well, that may be all right, but it may work

out entirely to the detriment of our people. I believe the bill provides 2-year tenure for the Administrator. Certainly it constricts farsighted planning. The advisory committee was stricken out. I would not quibble about that. I would not particularly want a committee of 12 or 15 which might be prompted by political considerations to sit on the neck of the director and to force strained decisions. So I was willing that that should be stricken out. With great gusto the committee kicked that into a cocked hat.

Now as to the question of public works: That subject is going to be covered by my good friend the gentleman from New York [Mr. LYNCH], who knows a great deal about it, having made a very special and a very thorough study of it. We took the provision out of the George bill which allowed a grant of 2 percent to cover building plans; yes, not to exceed 2 percent, and we specifically provided more forceful language to cover the plan. When the committee acted on that they favored it. Lo and behold, the next day, I do not know whether it was prompted or whether it was just spontaneous, the committee just blew the lid off of that and struck out the 2 percent for this purpose and put in a senseless provision for a loan to the States and municipalities and other governmental subdivisions for a period of 5 years at the rate of 2½ percent. It seems to me as devoid of any vision, that we should quibble over a small amount.

An expert appearing before our committee, one of the two privileged individuals who was permitted to come and give us any advice, although we disregarded it in the final analysis, said this 2 percent outright grant which he recommended he was convinced would probably have produced a great deal in public works, and he said there was no substitute for it and that it was the cheapest way he knew to stimulate building projects which might be necessary. He thought it might provide work for at least 1,000,000 persons after the war. We paid no attention to that and went counter to his expert advice, which we sought and thought sound in the first place. He did not volunteer it. We called him and then we disregarded the sound advice which he gave us. Mark my words, if there is any depressed condition in the building trade after this war we probably are going to be called upon to allow anywhere from 50 percent to 70 percent in Government loans or grants for the purpose. And the bad part of it will be that we are going to wait a year or two because there will be no plans on the shelf of our local governments, our State governments. I think we made a mistake. It might have been a proper thing to have left a mere pittance of 2 percent to be granted to municipalities and States for this very important purpose. Then, of course, there was a provision in the bill which was to authorize the Secretary of Labor to report to the Congress and to the President within 6 months after making a study and investigation of the problem of the specific feasibility of annual wage systems for the good of labor, industry,

and of the Nation as a whole. But that was stricken from the bill. In other words, we do not want to make any plans whatever with regard to the needs of labor. Everybody said that in the instance of labor it was a desirable thing to provide a system or formula under which there would be uniform regular employment.

Some States under our compensation laws even grant certain concessions to employers who have worked out a plan under which they work their employees throughout the year. One farsighted packer up in Minnesota, I think it is Hormel, worked out an annual wage plan that is successful. A large boot and shoe manufacturer gained distinction and fame throughout the nation by working out a similar plan. Seemingly, we do not want to know anything about that. The Secretary of Labor must not make any investigation; must not make any report to us, because we do not want to do anything for labor. That may not be the real attitude, but that is the result.

Mr. Chairman, what I want to leave with the committee is that the bill in itself as a whole is deficient. It ought to be strengthened. We will have an opportunity to attach certain amendments tomorrow or the next day. The bill provides, perhaps insufficiently, but nevertheless quite generously, for industry. That is proper. We all want industry to be prosperous, because that will help labor. But let us not go on the theory of permitting things to trickle down from the top. Let us provide as well at the bottom. I would rather see a yawning cavernous idle plant than to see a starving, hungry kid, any day. If we are to provide for industry let us provide for the workers as well. If you disregard the buying element, the workers, you will fail in both instances. The working man, as I view it, should be treated at least on a par with industry. The problem is one and inseparable.

We have made many provisions for industry. I hope we will do something for labor, and thus we will strengthen both.

As I said, there will be some amendments offered. One that I am particularly interested in I want you to think over. It will square with the recommendations of Mr. Justice Byrnes, who appeared as special adviser to the committee with regard to this question. It will provide unemployment compensation up to \$20 per week, for a period of 26 weeks. The method or basis of calculation is to raise it from 40 or 50 percent to 75 percent; so that if a person has earned \$8 a week and becomes unemployed, and under certain State laws now only receives 50 percent, or \$4.00, under the terms of my amendment he would get 75 percent or \$6.00. That is nothing to brag about, but \$2 is 50 percent more than he has been accustomed to. It is not going to bankrupt anybody. It is not going to do any real injury to any State compensation fund. I think it is a desirable objective, and the raising of such allowance will be in agreement with the Federal Government and the difference paid by the Federal Treasury. And it

will be for how long? For the life of the bill—1 year.

Of course, some people fear this will be an invasion of States' rights. I think some States ought to have their rights invaded, where they have gone as far as permitting a minimum of 50 cents per week unemployment compensation, and in some other instances \$2. That is not a joke. That is an insult. That does not belong in our scheme of things and ought to be corrected. If the States cannot correct it, the Federal Government ought to step in and do something about it, because it is unpatriotic, it is un-American, and it ought not be permitted to continue.

Mr. DEWEY. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. DEWEY. I always listen with deepest interest to my colleague on the committee; but when he begins to talk at this time of wages of \$8 a week, I just wondered where he gets the example. We want to get the facts on these situations, but, after all, I do not know of any pay rolls of \$8 a week.

Mr. DINGELL. I will grant you this will not apply to Chicago, but there are thousands of localities in this country where \$8 a week is a lot of money.

Mr. DEWEY. Does the gentleman think that today anywhere in the United States there are pay rolls of \$8 a week?

Mr. DINGELL. Yes; I not only think so but I know so. I think the burden of disproving that statement rests upon the gentleman's shoulders.

Mr. DEWEY. I would certainly like to have proof on that. I would like to know the State in this Union that pays \$8 a week.

Mr. DINGELL. Now I am not going to go into the question of submission of any proof of that.

Mr. DEWEY. The gentleman has put into the RECORD that statement, and that puts me, as a member who has voted against this in the committee, in a very small light. That would be niggardly.

Mr. DINGELL. I grant you that you are in the grease, but I am not going to fish you out. You disprove the statement and do not put me to the task of proving it.

Mr. DEWEY. The gentleman need not worry about me.

Mr. DINGELL. I refuse to yield any further, Mr. Chairman. I have made my position clear.

Mr. DEWEY. No. You have made the statement that you can prove there are \$8-a-week pay rolls.

Mr. DINGELL. I made no such statement as to proving it. I made the statement that where anyone was receiving \$8 a week compensation, under existing law he shall receive \$4; under my amendment it would amount to \$6.

Mr. DEWEY. But you said there were plenty of them.

Mr. DINGELL. I say to you there are localities where there are plenty of them. If you want to disprove that, you may try to disprove it.

Mr. LYNCH. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. LYNCH. It is a fact that at least one State pays 50 cents a week unemployment insurance, and others go as low as \$4 a week?

Mr. DINGELL. Oh, yes. It is \$2 a week.

Mr. LYNCH. That is the minimum rate, but it is based on a percent of the salary or the wages of the people who get it?

Mr. DINGELL. That is right. Therefore, if compensation is based on a percentage of the amount of pay received, it must be obvious that in the schedules studied in committee showing \$4 benefits at 50 percent must have been predicated upon an \$8 basic wage. That is obvious.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Oklahoma.

Mr. DISNEY. I wonder how far the gentleman would go on the training program. The committee struck it out, and the gentleman has expressed great concern. I wondered how far the gentleman wanted to go.

Mr. DINGELL. I will be glad to answer that. I made my position clear in committee. I think it would be economic and wise to provide for the power of coordination, so that there would be no overlapping. I do not want to grant any authority for any additional retraining. I do not want to provide the Director with any vast funds. I sought to bring about the elimination of overlapping. I learned later on that my premise was sound and correct, because there were many agencies scattered throughout the Government that had training programs of their own. I thought it was wise to coordinate those efforts so that there would be no costly, useless overlapping.

Mr. DISNEY. In striking out the retraining program, the committee rather accords with your views, if it had gone further and had provided for coordination?

Mr. DINGELL. That is all I said with regard to overlapping, because there is the possibility of increased duplication and overlapping with no controls. I think it will continue to exist under Executive order.

Mr. DISNEY. Now, recurring to the matter of \$8 a week, I do not think the gentleman implied or meant to imply that there were any Government officials paying \$8 a week.

Mr. DINGELL. I did not mean that nor did I say it. I now yield to my friend from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. As regards with philosophy of States' rights with reference to this unemployment compensation, is it not conceivable and is it not reasonable that while in normal times unemployment compensation may be a State matter yet here in a demobilization period following a war when the Federal Government has brought workers to California, brought workers to Detroit, brought workers to shipyards all over the country, it becomes our obligation as a Federal Government and not of the 48 States to get these people back into post-war peacetime employment?

Mr. DINGELL. That is right; I agree with the gentleman. Here is some proof

we might cite as a basis, table 17 from Post-war Economic Policy and Planning Committee hearings showing the State coverage provisions, wage record of the system, and benefit formulas. The State of Mississippi pays \$3 on the basis of its own percentage calculation; Louisiana pays \$3; Arkansas pays \$3. The State of Alabama pays a minimum of \$2; and the State of Missouri pays 50 cents.

Mr. CARLSON of Kansas. Mr. Chairman, will the gentleman yield at that point?

Mr. DINGELL. Yes; I shall be pleased to yield to my friend from Kansas.

Mr. CARLSON of Kansas. I am in accord with the gentleman. He is reading from a table we discussed in the committee; and we did find Missouri paying a minimum of 50 cents. It is not up to me to rise to the defense of Missouri, for I do not represent that State; but this matter will be referred to many times and I do not think it is quite right to refer to it as a minimum payment of 50 cents. As a matter of fact the State of Missouri does not pay for less than 6 weeks in any case; so their minimum payment in reality is \$3. We might as well start with the facts on the record.

Mr. DINGELL. But that is the amount for 6 weeks.

Mr. CARLSON of Kansas. They never pay less than \$3 in any one payment. If the man is entitled to 50 cents he gets \$3.

Mr. DINGELL. Yes; and it is conceivable that he has to starve for 5 weeks on \$2.50.

Mr. CARLSON of Kansas. No unemployed person in Missouri gets less than \$3. We are going to have a lot of discussion about these minimum payments; but to say that the minimum received by an unemployed person in Missouri is 50 cents is not fair.

Mr. DINGELL. I understand the gentleman's point of view. I deplore the fact we should have any misunderstanding on that point because I think we all want to raise these minimum provisions. I mean they are inexcusable. Even before the gentleman from Illinois was on the committee I stood opposed to the bureaucratic grab for power and we tried to center all of the provisions with regard to unemployment compensation and with regard to old-age pensions in the States where it properly belongs; but we do expect, we have a right to expect, we in Congress who have yielded them that power and that responsibility have a right to expect, that now they shall discharge their duties properly and honorably and pay the working man what he should properly have. I now yield to my friend from Michigan.

Mr. SADOWSKI. I understand the gentleman from Michigan [Mr. DINGELL] has introduced a bill, the Dingell bill. I have had the privilege of reading it. I think it is a very constructive measure. I think it goes a long way to correct the weaknesses in the committee bill. I am just wondering whether we are going to have an opportunity to vote on the Dingell bill and when we may have that opportunity.

Mr. DINGELL. I may say to my colleague from Michigan that I intend to raise a parliamentary question as to the proper time and then to present it as a substitute for the pending bill and I think that if the substitute passes it should be made the basis in conference for the rewriting of the bill together with the George bill so we can bring out something real and substantial that we can all get behind 100 percent.

I now yield again to my friend from Kansas.

Mr. CARLSON of Kansas. While we are discussing these low payments in certain States, in fact, low minimum payments in all States, we should bear in mind that when this law was originally enacted the States made it permanently low in order that they could make a greater coverage. It was not the thought that they wanted to pay these people just that very minimum, but it gave them an opportunity with very limited funds to spread it to more people. I think when we reach a consideration of the bill under the 5-minute rule we shall have an amplification of that.

Mr. DINGELL. I hope we shall correct many things that were allowable in the first instance but which today are no longer justified. The funds are liquid, they are sufficient to meet a reasonable increase and the inclusion of certain classes that are not touched by it. I think that is what we all had in mind when the bill was before the Committee on Ways and Means back in 1935; but still many of those States have remained static and have to date made no liberalizing provisions. I believe if we do nothing more here and now than to focus public attention upon these insufficiencies it will perhaps bring about a liberalization of the niggardly provisions in some cases.

Mr. CARLSON of Kansas. The gentleman is so generous with his time that I hesitate to trespass further upon it, but I ask him if it is not a fact that the average weekly payments in every State in the Union has gone up greatly during the last few years? The lowest average as I get it from the table in the hearing is \$11 per week. So while we may talk about \$2.50 and \$3 there must be very few of those payments when the lowest weekly average in the Nation is \$11.

Mr. DINGELL. There has been marked improvement in some States, but it does not reflect itself throughout.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. PACE. If the gentleman will permit, I should like to ask a question regarding another section of the bill, section 41, relating to loans to States, counties, and municipalities for the drafting of plans and surveys for post-war projects. Did the committee go into the question of how effective that would be in those States with a constitutional limitation upon the amount of funds the State or any municipal subdivision thereof could borrow?

Mr. DINGELL. I am sorry; I am not competent to shed very much light on

that, as I cannot recall the matter being probed.

Mr. COOPER. Mr. Chairman, will the gentleman yield there?

Mr. DINGELL. I shall be very happy to yield to my friend from Tennessee.

Mr. COOPER. I am sure the distinguished gentleman from Michigan will recall that that question was raised by Mr. Folsom while he was appearing before us in executive session. He said that some of the planning of the States and political subdivisions had run into the difficulty that there were certain constitutional limitations in the States. He was hoping they might be able to work out some kind of arrangement to overcome that, but it was pointed out to us that there are some difficulties along that line.

Mr. DINGELL. I do recall that now.

Mr. COOPER. Obviously, in the Ways and Means Committee or here in the House we cannot amend the constitutions of the various States, so we are just doing the very best we can for the situation as it exists. He did, however, express the hope that something might be accomplished along the line of working out an arrangement to take care of that situation.

Mr. DINGELL. I thank the gentleman. I now yield to my friend from New York.

Mr. CELLER. We hear a lot stated about the cost of this program that might be involved in the gentleman's bill. In that connection there is a lot of loose talk about our debt. When people speak of our public debt, it is always a gross debt, it is not a net debt. For example, today our debt is about \$210,000,000,000, but there must be subtracted from that \$40,000,000,000 of borrowing, upward of seventy-five billions in surplus disposable material which will be sold. The Treasury has some \$20,000,000,000 in cash on hand deposited in banks that must be deducted. In addition, Government corporate and credit agencies have assets, real assets which may be realized upon, not merely inter-agency bookkeeping entries, amounting to \$30,000,000,000. In addition thereto, there is on deposit in the security fund about \$5,000,000,000 due for unemployment insurance benefits; it may run to \$7,000,000,000 before the war is over. In addition thereto, the Government has in the form of a trust fund about \$28,000,000,000 that may or may not be due to corporations with reference to their excess-profits taxes. It is estimated that only half of that will be used.

Mr. McCORMACK. How about the gold at Fort Knox?

Mr. CELLER. I did not even speak of the gold on deposit at Fort Knox. There is silver in great quantity, too. But in any event, on those figures alone our net debt will be less than \$100,000,000,000.

Mr. DINGELL. I thank the gentleman for that observation. I wish to yield the floor at the earliest possible moment, and I am going to ask, after I yield to my friend from Arkansas, that I be permitted to yield the floor.

Mr. NORRELL. I merely wanted the Record to show that since the question

of minimum payments by some States, including Arkansas, has been brought out, that the maximum possible weekly payments in all the States range from 50 cents to \$20 per week.

Arkansas has a maximum payment of \$15 per week; I believe Michigan has a maximum possible payment of \$20 a week; and Massachusetts \$18 per week. I would like to say, while I am on my feet, that I know of no industrial worker in Arkansas who is not getting over \$8 a week.

Mr. DINGELL. I am glad to hear that.

[From the Washington Post of August 29, 1944]

HUMAN SIDE

We hope that before taking action today the House will have read the minority report protesting against the committee version of the George reconversion and civilian demobilization bill. It was written by four Democrats from districts which have bitter knowledge of the horrors of mass unemployment. Thus the writers have good cause to dread widespread cancellation of war orders. They know that the end of the war will impose a severe strain upon the unemployment insurance funds of industrialized States, such as Michigan and Pennsylvania, with their expanded war industries—that it will leave thousands of stranded workers needing assistance to get back to their former homes or to other parts of the country where jobs may await them. Let the House equally ponder these dangers.

As passed by the Senate, the George bill took cognizance of these dangers. It filled some of the gaps in the existing State unemployment insurance systems by bringing into the State systems, at Federal expense, about three and a half million workers employed by the Federal Government. It also provided vocational training for war workers and travel allowances. The modified bill reported out of the Ways and Means Committee has, however, been stripped of all these provisions. It merely retains a section providing for Federal loans without interest to State unemployment insurance funds, in case of need. As the four protesting Democrats on the Ways and Means Committee state, it is impossible to justify a policy that requires private employers to provide unemployment compensation, while permitting the Federal Government to ignore the claims to like protection of thousands of workers in its own arsenals, navy yards, shipyards, and ammunition plants. The manifest unfairness of such discriminatory action was bad enough. But it was not as disturbing as the apparent lack of understanding of the gravity of the unemployment problem that lies ahead of us.

The fact is that the Ways and Means Committee was thinking less about unemployment than about States' rights. Republican members of the Ways and Means Committee who joined the Democratic majority in pruning the George bill kept harping on the necessity of guarding against federalization of State unemployment insurance systems. Now federalization is, in our opinion, essential to put unemployment insurance on a satisfactory basis for workers in all parts of the country. However, the George bill as approved by the Senate took every precaution against overturning the State-administered systems of unemployment insurance—at the expense of a really sound measure. Further weakening of this originally inadequate measure certainly cannot be defended on the ground that pruning was required to protect the State insurance systems against Federal encroachment. In any case the States cannot be asked to pay out unemployment benefits to workers dropped from Federal pay rolls. That is an obligation that the Government

itself must assume, if any protection at all is to be afforded to this group.

So the Ways and Means Committee passed up an opportunity to improve the George bill with a well-rounded, moderate system of unemployment benefits that would tide the country over a difficult period without putting a premium on idleness. By whittling down that bill until it has become a skeletonized version of the original measure, it has, moreover, increased the pressure for action exerted by disappointed advocates of ultra-liberal Federal benefits.

An adequate system of idle allowances, payable during the immediate post-war period, would not retard industrial reconversion, as some Congressmen apparently fear. On the contrary, it would hasten reconversion by providing buying support for industry. Workers without jobs, eating up their wartime savings or subsisting precariously on such hand-outs as they can pick up, are not going to provide an active demand for the output of post-war industry. And industrialists will assuredly hesitate to spend large sums to reconvert their plants to meet peacetime needs, if consumer demands fail to materialize. So even if Congress feels no special responsibility to assist war workers left stranded by cancellation of Government contracts, it should remember that a do-nothing policy may slow down reconversion and aggravate the unavoidable economic disorders of the post-war transition period.

Mr. CARLSON of Kansas. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the wartime controls over the American people and over our economy should end with the ending of the war. We should not, in the legislation now before us, or in any other legislation, lay the basis for a continuation of wartime regulations, restrictions, allocations, or rationing. We should not, by what we do today, give any excuse whatever for the continuation of boards, bureaus, and agencies set up to do a wartime job. The millions and millions of people now employed by the Government must be taken off the backs of the taxpayers at the earliest possible time. It is my firm opinion that unless this Congress shows its clear intention to stop regimenting the American people just as soon as the war is over, another Congress will be elected that will restore to the American people their liberty.

It is necessary that we keep in mind the reason for wartime controls. The restrictions on the use of steel, copper, aluminum, rubber, sugar, meat, and other items were not for the purpose of policing business. These restrictions were not for the purpose of breaking up monopolies or bringing about social reform. The Congress authorized the President to do this regulating for the purpose of speeding up and making possible the production of guns, planes, tanks, ammunition, ambulances, and all the other things needed to win the war. When the war is won, the wartime controls will have served their purpose. To vote to continue them is to take a position in favor of the policing of business, the continued regimentation of the American people, and the use of the wartime powers of the Federal Government to bring about social reform in peacetime. I subscribe to no such doctrine.

There is an additional and very important reason why these controls should

be thrown off, and I mean thrown off, not slackened. Unless these controls are ended, there can be no reconversion to private enterprise. There can be no resumption of full employment in private business unless the controls are taken off. There is no chance for the small manufacturer to forge ahead, or for the potential manufacturer who possesses only an idea and ambition to get started, if he must get on his knees before any Government agency and beg for a small amount of steel or copper or cotton, or any other raw material.

The New Deal Party has no faith in America. They think in terms of unemployment and not employment. They do not dare to trust the American capitalistic system and give it a chance for jobs for all who want to work. They are defeatists; they think America is through.

This Congress today, instead of flirting with peacetime controls should be here enacting a post-war tax bill that would bring about new ventures in the business world. By the encouragement of risk, capital jobs are provided and a market is created for the things the farmers produce.

Let us consider for a moment the control, restricting, or allocating of raw materials when the war is over. The vast majority of manufacturers will be anxious to resume their peacetime production, whether it be the making of washing machines, bicycles, electric fans, cooling systems, automobiles, furniture, utensils, hardware items, or what not. This manufacturer will face many unknowns. He will not know just what his labor costs will be, nor his taxes. If the Government requires him to waste precious months in filling out forms, questionnaires, and applications for priorities for raw materials, you have tied his hands before he ever gets started to reconvert to peacetime production.

You have then retarded, discouraged, and destroyed post-war jobs. The only thing that I can think of that would be more discouraging to such a manufacturer would be the threat of a continued price ceiling on his peacetime products. That, too, would completely stop him from taking a risk and forging ahead.

Small businessmen have been the recipients of a great deal of oratory in the past few years. I challenge anyone who contends that raw materials should be controlled and allocated after the war to visit all the small manufacturers in his district and get their honest opinion on it. The businessmen of America have faith in our economic system, even if the city of Washington does not have. They would much rather rely upon their own ingenuity, the natural competitive processes and the fairness of their established suppliers of material, than to be at the mercy of a bureaucrat in Washington. We should keep in mind that most of the great army of top-notch businessmen who have given their services to the war agencies of the Government will leave the Government when the war is over. Are we going to place the future of our economic system in the hands of the professional, theoretical Government official who sometimes is a "do gooder" or a "pink" or a "punk"?

Mr. Chairman, we must continue the drive for winning the war. A total and complete victory over the Axis is America's first job, but when that is done the American people should be unharnessed. Regimentation should go out the window, and liberty and opportunity should be restored in this the land of the free.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances, and in one to include an article from the Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Vermont [Mr. PLUMLEY] be permitted to extend his remarks in the RECORD and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that I be permitted, in connection with the remarks I made today on the George bill, to insert an editorial appearing in the Washington Post this morning captioned "The human side."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in two instances.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include two editorials from the Philadelphia Inquirer under dates of August 28 and August 29.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

FAIR EMPLOYMENT PRACTICE COMMITTEE

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, I note in the CONGRESSIONAL RECORD of August 28 an attack on the Labor Committee of the House by the gentleman from Indiana [Mr. LAFOLLETTE]. As chairman of that committee and in all fairness to me and to the committee, I believe it is important for the House to know the facts.

I called the committee to meet on Thursday, August 24, to decide whether or not to continue hearings on F. E. P. C. bills. There were Republicans and Democrats present at the meeting. A motion was made and carried to postpone further hearings until after election. There was not a protest from any member of the committee. The reason this action was taken was because it was realized that it would be physically impossible to hear the listed number of proponents and opponents and report a bill before election. It was not and is not the intention of the committee to shelve its responsibility. A practical situation confronted us. Members are busy on many problems concerned with their districts and, realizing that a bill could not be passed before election, it was decided to postpone consideration until after election. This takes the issue out of politics at this time. I am in entire agreement with Mr. LAFOLLETTE that the issue should transcend politics. The position of the Democratic Party is clear on this subject. It translated its attitude toward minorities through the President's Executive order creating the Fair Employment Practice Committee, and, if further evidence of its position

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

78th-2nd, No. 139

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued August 31, 1944, for actions of Wednesday, August 30, 1944)

(For staff of the Department only)

CONTENTS

Bureaucracy.....6	Personnel.....1,6	Sugar industry.....2
Education.....1	Property management....1,7	Taxation.....4
Grants-in-aid.....1	Public debt.....1	Veterans.....5
Nutrition.....3	Public works.....1	

HOUSE

1. PROPERTY MANAGEMENT. Concluded general debate on S. 2051, the demobilization-reconversion bill (pp. 7476-501). Rep. Lynch, N. Y., criticized the public works provision in this bill (pp. 7478-9). Rep. Dewey, Ill., criticized the bill from the probable-cost angle and gave figures on the public debt from 1919 to date (pp. 7479-80). Rep. Maloney, La., urged development of a foreign-trade program (pp. 7480-1). Rep. Lanham, Tex., criticized additional Federal grants-in-aid when "it is known...that the cities and the States are in much better financial condition than the Federal Government" (p. 7481). Rep. Gearhart, Calif., commended the bill's public-works policies (pp. 7481-2). Rep. Forand, R. I., commended the unemployment-insurance provision and stated that he was going to introduce an amendment providing for such insurance for Federal employees (pp. 7483-4). Reps. Gifford, Mass., and Sumners, Tex., stated that they feared certain people would take advantage of the unemployment-insurance provision (pp. 7484-5, 7496-7). Rep. Camp, Ga., commended the vocational-training programs that are already in existence and stated that "there is no need to set up another retraining or training supervisory course or organization" (pp. 7486-7). Rep. Wright, Pa., urged that "the administration of unemployment compensation...remain in the States" (p. 7488). Rep. Eberharter, Pa., criticized the bill, stating, "The bill as reported will not meet the situation" (p. 7490). Rep. Fish, N. Y., urged legislation, and inserted an amendment to this bill, "to give preference to demobilizing married men 35 years of age and upward" (p. 7491). Rep. Keefe, Wis., urged provision for Federal-employee unemployment compensation and inserted his amendment on this subject (pp. 7491-2). Rep. Wasielewski, Wis., commended the Colmer-Committee proposal to establish an advisory board composed of representatives from business, labor, and agriculture and urged inclusion of the George bill section providing for Federal-employee unemployment compensation (pp. 7499-500).

2. SUGAR INDUSTRY. Received Interior's letter transmitting Puerto Rican Public Service Commission's ordinances granting to the various sugar companies and mills the right to engage in the manufacture and processing of raw sugar. To Insular Affairs Committee. (p. 7501.)

SENATE

NOT IN SESSION. Next meeting Thurs., Aug. 31.

BILLS INTRODUCED

3. NUTRITION. By Rep. Pace, Ga., H.R. 5265, to provide for the development of better diets and an improved nutritional status. To Agriculture Committee. (p. 7502.)
4. TAXATION; PROPERTY. By Rep. Weiss, Pa., H.R. 5266, to amend the RFC Act with regard to taxation of ~~real~~ property. To Banking and Currency Committee. (p. 7502)

ITEMS IN APPENDIX

5. VETERANS' BENEFITS. Rep. Cunningham, Iowa, inserted a discussion of the G. I. Bill of Rights (pp. A4108-9).
6. BUREAUCRACY. Extension of remarks of Rep. Woodruff, Mich., criticizing the fact that Federal employees outnumber State and local employees in several States (p. A4110).
Rep. Monroney, Okla., inserted a Washington Daily News editorial favoring H. Con. Res. 54, the Maloney resolution providing for a joint Senate-House survey (p. A4113).
7. PROPERTY MANAGEMENT. Extension of remarks of Rep. Cochran, Mo., including a Washington Post editorial, criticizing the amendment to the surplus-property bill which would use proceeds of all sales of surpluses to reduce the National debt (pp. A4110-1).

- o -

For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 112, Administration Building. Arrangements may be made to be kept advised of developments on any particular bill.

- o -

membership. I may further say to the gentleman that in my opinion and knowing the feeling of the membership of the committee as I do about delegating authority to governmental agencies to settle claims that we are trying to safeguard the Congress in every respect. We felt under the circumstances, however, that we would save the taxpayers of this country quite a little money by passing this bill and letting the Navy settle these claims instead of having some three or four hundred individual bills come to the committee and the House.

Mr. RANKIN. This bill is simply delegating authority that ought not to be taken out of the hands of Congress or out of the hands of the Court of Claims. We are in a war. These incidents are likely to occur all over the world. There is no telling how many of these claims will arise, and this legislation will be used as a precedent in an effort to drive Congress into further delegation of its legislative authority.

I am going to ask the gentleman from Mississippi to withdraw his request for the time being.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CARTER. I should like to say to the gentleman from Mississippi [Mr. RANKIN] that as has been stated by the chairman of the Committee on Claims, there are a number of small claims involving the repair of a number of houses in this small city that was near the scene of the explosion. The information I have from out there which was obtained through the Navy Department and through the chairman of the disaster committee who was a resident of the community is to the effect that it is the roofs of the houses largely that are damaged.

The gentleman makes a very sensible, sane, and under ordinary circumstances logical, suggestion as to the handling of these claims. I am sure, however, that when the gentleman considers that several hundred people were killed there, that the property of these citizens located in the immediate vicinity of the naval station was damaged, that the rainy season in California is approaching, that if these houses are not repaired at once a great deal of additional damage will be caused. I am sure he will consent to giving the Navy Department in this particular case the authority requested.

This is the only tragedy of this consequence, I am thankful to say, that we have had in this country in connection with our war activities; and I hope it is the last, and I am sure the gentleman does too.

I am speaking for those small home owners who have not a roof over their heads at the present time and I am asking this House to permit this bill to go through granting the Navy the authority in connection with this disaster alone. As the chairman of the Committee on Claims has stated, the Navy Department now has such authority up to \$1,000. This bill would grant them a leeway of

an additional \$4,000 in the settlement of these claims. I may say to the gentleman from Mississippi that they are settling these small claims in that area now because of the urgent need and necessities of the people.

Mr. RANKIN. Let me say in reply to the gentleman from California that if any of those people have not a roof over their heads, I can put a roof on practically any house in California for less than \$1,000. If those people were injured to the extent he indicates it would probably take a judicial decision to determine to what extent they were injured.

I am not in favor of delegating this power to the Navy Department or to any other department of the Government at this time. If these homes have been slightly injured, or the small homes he speaks of seriously damaged, they can be repaired for a thousand dollars or less. I submit that the Navy Department should make its recommendation to the Congress and the Claims Committee should take those claims up and pass on them and then let the Congress pass on the measure itself. I am not in favor of delegating power of this kind under these circumstances because I realize it will merely be getting the camel's nose under the tent for an unlimited barrage you might say, of claims of this kind growing out of this war.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. DONDERO. Was any investigation made as to whether or not the property of these claimants was covered by insurance against accidents of this kind?

Mr. McGEHEE. In the event they are covered by insurance, I answer the gentleman from Michigan by saying that the insurance companies have clauses in their policies whereby they are subrogated to any rights the claimants may have; so the insurance companies would collect from whatever amounts were allowed those people to the extent they insured for.

Mr. DONDERO. Would the insurance companies go ahead and repair these buildings if they are subrogated to the rights of the claimants?

Mr. McGEHEE. They would where they insured them but in the event of recovery from the Government by the claimant the insurance companies would be subrogated to the amount insured and they would be reimbursed from amounts paid a claimant; in fact, the Government would protect the insurance company's claim.

I may say to the gentleman from Mississippi further that it is practically a rule of the House, and is a custom of the Committee on Claims that \$5,000 is the maximum allowable in the case of death. So if the Navy Department settles death claims in the sum of \$5,000 they will have done only that which the Congress itself does.

I may say further that in the case of claims arising on account of the death of a person caused by this accident the chances are 100 percent that the Congress would allow them, so the Navy would be doing only that which the

Congress itself would do in the settlement of these death claims, and I dare say there might be instances where the Congress would allow to individuals probably more than \$5,000 on account of injury.

Any claim exceeding \$5,000 would have to be referred to Congress under the provisions of this bill, as I stated to the gentleman.

The Navy Department is very much interested in the passing of this legislation authorizing it to make these settlements and adjustments while their representatives are on the ground. In my opinion it would be wise to let them do so, for as stated it would save the Congress the trouble and expense involved of going through three or four hundred individual claims, and duplicating the investigations already being made by the Navy.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RANKIN. The Navy already has the right to settle claims up to \$1,000.

Mr. McGEHEE. Yes; during the period of the war.

Mr. RANKIN. If any person feels aggrieved he has the right to file an additional claim before the Claims Committee and have it adjudicated in the proper way.

Nobody is going to suffer as the result of holding this legislation up or letting it come before the House for amendment and for general discussion under the rules of the House. I am not willing to give my consent to the passage of a bill of this kind that will delegate such broad powers to the Navy Department or to any other department at this time. We have delegated too much authority already. So I am going to object to the present consideration of the bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. ROHRBOUGH. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

THE LATE JOHN MARSHALL WOLVERTON

Mr. ROHRBOUGH. Mr. Speaker, it is with a feeling of deep sorrow that I rise to announce the death of a former Member of this body, the Honorable John Marshall Wolverton. He was born at Big Bend, Calhoun County, W. Va., in 1872, and grew up in that rural community.

He was educated in the country schools, at Glenville and Fairmont State Colleges, and at West Virginia University. From the university he received his law degree in 1901 and continued in the practice of law during the remainder of his life.

He served a term as mayor of the city of Richwood and two 4-year terms as prosecuting attorney of Nicholas County. In 1924 he was elected to the Sixty-ninth Congress, succeeding the Honorable Stuart F. Reed, who was not a candidate for reelection. He failed for reelection to the Seventieth Congress, being de-

feated by the Honorable William S. O'Brien, whom he in turn defeated for the Seventy-first Congress.

In 1907 he married Laura D. Herold, who survives him. To this union three children were born—Lt. James H. Wolverton, assistant trial judge advocate in the United States Army Air Corps at Morrison Field, West Palm Beach, Fla.; a daughter, Helen, wife of Lt. Nathan Callaghan, a Navy dentist at Jacksonville, Fla.; and a second daughter, Barbara, wife of Capt. Thomas Saunders, an Army dentist at Roanoke, Va.

Within the past 2 years I called on him occasionally, and found him, in spite of failing health, still much interested in national and international affairs. His observations were timely and pertinent. Three weeks before his death I visited him at his home in Richwood. At that time it was evident that he could live but a short time, and I am sure he was fully aware of that fact. However, he was in full possession of all his mental faculties and discussed with keen insight and clarity the problems facing the country, particularly the great national debt and the dangers of financial disaster that threaten. Throughout my visit he bore himself with supreme courage and complete composure, as though the transition immediately facing him had no terrors whatever for him, and as though it were but a customary experience.

PERMISSION TO ADDRESS THE HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SIDNEY HILLMAN

Mr. CELLER. Mr. Speaker, certain Members sought to hurt Sidney Hillman by some questions before the House Campaign Expenditures Committee, but Hillman was more than a match for them. A few more such experiences and those who come to scoff will remain to praise.

One sought to deprecate him because of his birth in Lithuania. Yesterday we honored Pulaski, who came from Poland. In Pulaski's day Lithuania was a part of Poland. The great hero Kosciuszko whom we have often honored, was born in Lithuania.

Hillman's detractors call him Communist. He is president of a large bank, the Amalgamated Bank of New York, and a director of a Chicago trust company. It is hardly likely that a Communist would be permitted to remain as a high officer of any bank.

Dewey addressed a C. I. O. convention, and in 1937 accepted through his campaign manager a contribution of \$5,000 to his campaign fund from Mr. Hillman's union. His managers even asked for more. It is altogether different when one is on the receiving end.

The SPEAKER. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent to extend my remarks

in the RECORD and to include therein an editorial published in the Washington Daily News.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CAMP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an excerpt sent to me by Mr. S. K. Smith, of Flovilla, Ga., same being a poem published in the Atlanta Journal by Harry Stillwell Edwards, the title of which is "Coming Down My Creek."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article appearing in the Washington Evening Star.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SIDNEY HILLMAN

Mr. KNUTSON. Mr. Speaker, I do not think that the gentleman from New York should make such extravagant and unfounded statements as saying that Mr. Dewey accepted \$5,000 from the C. I. O. for his campaign in 1938. I deny it. His campaign committee may have received \$5,000, but there is a difference, and beside, C. I. O. had not blossomed forth in its true colors at that time.

However, I do want to thank the gentleman from New York for coming to the defense of Sidney Hillman who is the greatest single asset that the Republican Party has in this campaign.

PERMISSION TO ADDRESS THE HOUSE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SIDNEY HILLMAN

Mr. WRIGHT. Mr. Speaker, as long as the Republican Party relies in its campaign on an attempt to defame Mr. Hillman, so long shall the Republican Party be doomed to defeat. If the Republican Party wages a constructive campaign, as the Democratic Party is doing, relying on their achievements, then there may be

some hope for the once great Republican Party; but if they descend to personalities and an attempt to incite the people of America to prejudice because of Mr. Hillman's foreign birth or because of his affiliation with the Jewish religion, I feel certain that the American people, who love and defend liberty, both religious and otherwise, will rise in their wrath and condemn that party to defeat.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

(Mr. RANKIN asked and was given permission to revise and extend his remarks in the RECORD.)

REFUDIATE SIDNEY HILLMAN AND HIS GANG

Mr. RANKIN. Mr. Speaker, I arise to try to make peace. We Democrats have used Wendell Willkie as our secret weapon to beat the Republicans' ears down with for the last 4 years. Now, we find they are using Sidney Hillman as their secret weapon to beat ours down.

The gentleman from Pennsylvania [Mr. WRIGHT] states that the Republicans should not attack the Democratic Party because of Sidney Hillman's being an alien, or foreign-born, or because he is a Jew, or because they do not like him for any other reason.

I will tell you how to solve this problem in a way that ought to make everybody feel decent. That is for everybody in public life to repudiate Sidney Hillman and his gang and do it now.

Both candidates for President should repudiate the communistic, fascistic machine that Sidney Hillman and his gang are trying to build up in this country, financed with blood money wrung from the helpless workers of the Nation. That would give both parties an air of respectability.

Then we could carry on an American campaign in the American way; which we cannot do with Sidney Hillman and his gang financing either ticket.

The SPEAKER. The time of the gentleman from Mississippi has expired.

WAR MOBILIZATION AND RECONVERSION BILL OF 1944

Mr. COOPER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2051), to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, S. 2051, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I would like to address myself and direct your attention for a moment to a part of title I of Senate 2051, and likewise to the committee amendment thereto. It contains a departure from the usual practice of New Deal administration which may be worthy of consideration. I would like to inquire as to the original creation of the Office of War Mobilization and the reason specific congressional action is now sought to establish that office as we hopefully approach the end of the war. There have been thousands of executive decrees ranging from the most trivial, to the creation of an office second in importance only to the Presidency itself. Some have clearly been within the intended powers delegated by the Congress—others, as this creation, have had to depend on undefined and indeterminate authority termed "constitutional war powers of the President."

We have had the Office of War Mobilization since 1943. It was created by the President under authority of his constitutional wartime powers, and general grants of power made by Congress.

Personally I am willing to accept his conclusions in these respects for the present, though in my opinion another method for the creation of an Assistant President should have been used. Generally the direct and not the indirect method is best understood and is more conducive to good government. The people of our country cannot be blamed for criticizing a President who having questionable authority by decree creates an office with literally powers of life and death over every and any American business and worker. How much better it would be had the President come to Congress for specific legislation establishing the Office of War Mobilization, just as is done in this bill, at this late date.

Does he now question, or do his leaders in Congress now question his authority? Is it now the purpose to avoid the charges that he exceeded his authority by his decree establishing that Office? Is it now realized that the vast powers the Director exercises over the American businessman and worker, should have been secured from their representatives by specific legislation? Does he now realize that in these days when representative government along with dictatorships is on trial—our form of government would be strengthened, if instead of Executive decrees, in vital matters, he went to the people's representatives for specific authority?

So far as I know no one has in the courts seriously contested this exercise of power by the President. Perhaps he actually did have the power; perhaps he did not have it. Most likely those who in peacetime would have contested the matter, decided that with our Nation in a life-and-death struggle, the President should be given the benefit of a doubt and his decree go unchallenged.

Certain it is that the naming of Justice Byrnes, who was called from the Supreme Court, as Director pleased the public and removed temporarily, at least, their fear lest they find a Henry

Wallace, a Harry Hopkins, or a Sidney Hillman as dictator of American business. In Justice Byrnes, a real American, one recognizes a man of great ability, of long and distinguished legislative experience; a man worthy of donning the robe of Assistant President after surrendering the judicial robe. Truly, the authority of Justice Byrnes is great; he is the Assistant President, second in power only to the President himself. And so the American people, with every confidence in Justice Byrnes, accepted and submitted to his authority.

These same people, pleased by Justice Byrnes' appointment to this vital position, were shocked this summer when, at the Democratic National Convention in Chicago, this distinguished American and Democrat, this former United States Senator and Justice of the United States Supreme Court, this Assistant President, was denied nomination for Vice President by his party, because, and only because, Sidney Hillman, seeking control of the Democratic Party, his party's real leader, so ordered. What Sidney Hillman did in Chicago he can do in Washington, so perhaps Justice Byrnes' present position is not permanent; perhaps he will be fired when this bill becomes law.

Indeed, on the very best of authority, it is noted that Justice Byrnes will not serve as Director of War Mobilization and Reconversion in the post-war period. I assume he will desire to continue his present position for the remainder of the war. But should the same Sidney Hillman who denied him the Vice Presidential nomination so order Justice Byrnes, he would undoubtedly follow HENRY WALLACE and Donald Nelson on a one-way journey to China.

I note, too, that HENRY WALLACE has been instructed by his good friend not to remove himself from Washington. He is to remain "on tap" for whatever use can be made of him at that time. In the meantime he will, of course, with the certainty of a post-war job plug all the harder for a fourth term. Conceivably this job as Director of War Mobilization and Reconversion will be vacated by request and given to either Sidney or Henry. Either would welcome the chance of exercising New Deal authority over business. Then we would see a real cracking down. Then a depression would be a certainty, then the re-creation of the W. P. A. would certainly follow with its political hammer over the head of free men—demanding their votes in exchange for makeshift jobs.

We see through this request at this late date for congressional establishment of the Office of War Mobilization and Reconversion. There is a campaign just around the corner. The President is being rightfully accused of seeking to rule his people by decrees, and not by laws made by the peoples' representatives. He seeks now to cover up and have it appear that Congress in this act fully approves his questionable exercise of authority and perhaps he sought to extend into peacetimes the duties of the War Mobilizer in this manner. It is true also that Justice Byrnes' office is being used as a bait—the idea being that Congress

would certainly approve the continuance of the wartime duties of the War Mobilizer, and so many unreasoned, unworkable, wasteful, inequitable, and unwise foolish proposals were attached.

If some such purpose was intended, the action of the Ways and Means Committee, guided by our very distinguished chairman, and the action I anticipate this committee will take has defeated that purpose. In the first place, the committee clearly defines the powers the reconversion director shall have. It makes him the agent of Congress. In the second place, it struck from the bill those wasteful and extravagant proposals.

The committee recognizes our country's financial picture; it knows our obligations now and in the post-war period far exceed our probable tax receipts; it knows the fallacies and dangers of continued deficit financing; it knows sales resistance to the purchase of Government bonds will increase when victory is ours.

It knows American citizens will want good American dollars for their War bonds in post-war years.

It knows, above all, that the only money to meet our obligations to pay these bonds can come from taxes or new bond sales, unless printing-press money is used.

The committee knows Social Security tax collections have all been spent and that future Social Security payments can only be made out of new tax collections from the workers themselves.

The committee knows the returning soldier or sailor will unload his knapsack and duffle bag and substitute for the implements of war a tax load of at least \$1,700.

So the committee, seeing its duty to the American people, has not failed them. It has carefully defined the post-war powers of the Office of War Mobilization and Reconversion and it has deleted from S. 2051 those authorizations for unestimated expenditures which would certainly exceed \$10,000,000,000 we do not have.

I hope the committee amendment is agreed to.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. KNUTSON. I think it only fair that the RECORD should show at this point that the Democratic National Convention at Chicago was dominated by big city bosses, such as Kelly, Hague, Pendergast, and the Tammany machine. They got together and decided to nominate for Vice President one of their own number, a man who had been a faithful follower of the Pendergast machine in Missouri for many years.

Mr. SIMPSON of Pennsylvania. I thank the gentleman for his contribution.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. LYNCH].

(Mr. LYNCH asked and was given permission to revise and extend his remarks.)

Mr. LYNCH. Mr. Chairman, it is to be regretted that a bill of the importance of the present one is being made a political football, judging from the remarks of the preceding speaker.

I am one of the four men on the Ways and Means Committee who filed views dissenting from the report of a majority of the committee favorably reporting out S. 2051, as amended. I do not consider this bill as reported by our committee a piece of real constructive legislation. It simply provides by statute for the Office of War Mobilization already created by Executive order and provides further for industrial reconversion. It contains no provision for the benefit of the American worker. Insofar as the individual worker is concerned, this bill is a false alarm. It is inadequate and innocuous. The ultraconservatism of the original George bill, referred to our committee, has been further reduced to the do-nothingness of the bill now before us. The Congress has rightfully and properly passed legislation giving aid and benefit to our returning veterans. We have likewise passed legislation for the benefit of industry as indicated by the War Contract Termination Act, the surplus property bill, and the reconversion provisions of the present bill, but we have failed to make any provision to protect the worker on the home front from the economic shock that will be produced by mass unemployment during the transition period from war to peace.

Yesterday several of those who spoke in favor of this bill expressed the hope that there will be no mass unemployment. There is an old adage, "Live in hope and die in despair." I, too, hope that there will be no mass unemployment, but looking at the stark realities I am thoroughly convinced that unless we take a courageous attitude, looking the facts squarely in the face, we will be wholly unprepared for the unemployment which will follow when our war industries shut down. I do not subscribe to the opinion that we should wait until mass unemployment is upon us before we prepare for it. I hold that we should plan now for the future.

I cannot, in the time allotted me, set forth my complete objections to this bill. I will, therefore, confine myself to that part of the bill which has to do with public works and if time permits will take up some other features.

Mr. Chairman, I feel that we cannot go forward with our eyes closed to the fact that when the war is over there will be millions of people now engaged in war industry who will then become unemployed. Today we have in the labor force of the country somewhere between 55,000,000 and 60,000,000 people. When this war is over some 18,000,000 people alone who are now engaged in war industries will have lost their jobs. Many never again will go back to employment, some will go back to their housewife duties, others because of age will not be again employed, and many more are school children who will not return to employment for several years to come; but the fact remains that there will still be between 10,000,000 and 15,000,000 people who will have been thrown out of em-

ployment when the war ends who will be seeking jobs in civilian industry. In addition, there are 11,000,000 of our men and women in the service of our country. They will be demobilized, at what rate we know not, but we can safely say that at least 5,000,000 or 6,000,000 will be demobilized within the first year and probably 10,000,000 within the second year. Those veterans likewise will have to be taken care of by some means. We must find employment for them somewhere, and the only thing we can do is to encourage employment throughout the entire country, not only in private industry but also by the construction of public works.

I am afraid that if we do not plan for the future we will be faced once again with the W. P. A., and I venture to say there is not one Member of the House who is present here today who is in favor of the return of the W. P. A. The American people do not want it. It was forced upon us because of the exigencies of the times. Although it did a wonderful work, although it supplied employment for the breadwinners of the families of the unemployed, yet the fact remains that a great part of the work of the W. P. A. was not planned until it was almost too late. You will recall the days of leaf raking and boondoggling. They were caused by the fact that we had no plans, they were caused by the fact that we had not looked ahead to the days of unemployment. Now, when those days of unemployment are once again facing the American people, I say we must look ahead and plan to reduce unemployment to the minimum. One of the ways we can do that is by a program of public works.

In the George bill as presented here, S. 2051, there is provision for loans to the various States and municipalities for the preparation of plans for public works, repayable out of the first moneys authorized for construction.

I was one of the first to introduce in this House a bill on public works. At one time I felt that loans might be the effective way to encourage and stimulate the construction of public works, but now, when the day of peace is almost in sight, when we are confronted with the fact that according to the records some \$3,600,000,000 of public works are in contemplation and only 5 percent of those public works have plans that are completed so that they can go to work within 60 days, I say we are in a dangerous situation, and mere loans to the States and communities will never in the world spur them on to the required activity.

There is only one way we can get the States and the municipalities to go into a program of public works, and that is by giving grants-in-aid. That plan has worked out insofar as road development is concerned and will work out now if we have the courage and the foresight to tell the people of the States and of the cities that if they are going to handle the problem of unemployment they must have some system of public works and they must plan now.

I do not say that public works in themselves are a cure-all for the unemployment that will come, but with \$3,600,-

000,000, or with \$5,000,000,000 of public works, it is estimated that between 1,000,000 and 2,000,000 will receive employment after the war is over. Can we in the face of the great number of unemployed that we know we will be confronted with, turn our backs on a plan that definitely will give employment to some 1,000,000 or 2,000,000 of our people? It seems to me that if we do not give grants-in-aid in this bill we will be passing a bill that, insofar as public works are concerned, means absolutely nothing.

I was talking yesterday to one of our colleagues from Georgia. He told me that in Georgia the bill as it stands means nothing to them, because by constitutional limitation they cannot borrow any moneys whatsoever until they have some kind of a vote or referendum. That is not the only State in that position. There are other States that are similarly situated; other States and municipalities that will not be able to undertake any great system of public works until the full authorization for the entire construction of the job has been given to them by the people under the constitutions or the laws of their States or municipalities.

Under these circumstances, it is my intention to offer an amendment tomorrow which will provide that, instead of this system of loans or advances provided for in the George bill, and also in the committee bill which we have before us, we shall provide for grants-in-aid so that we may get this program of public works under way.

What we need today is a stimulus. There is no stimulus in the bill we have before us today when the States and municipalities have to pay back within 5 years, with interest at the rate of 2½ percent, the moneys they borrow in connection with the preparation of plans. That is putting the Federal Government right squarely into the banking business. What State or what municipality is going to borrow money from the Federal Government under this bill, when the loan is repayable within 5 years and interest is charged at the rate of 2½ percent, when they can go to any bank in their State, or any bank in their community, and get the loan from that bank at a lower rate of interest. I cannot vision any State, county, or municipality borrowing from the Federal Government at 2½ percent, when every local bank would be only too glad to make the loan, and at a lower rate of interest.

Mr. KNUTSON. Mr. Chairman, will the gentleman, my good friend, for whom I have affection and high regard, yield to me?

Mr. LYNCH. I yield, Mr. Chairman. May I say to the gentleman I certainly reciprocate his kind feelings.

Mr. KNUTSON. I thank the gentleman. But is it not true that the several States are now in much better financial condition than the Federal Government at the present time?

Mr. LYNCH. In answer to the gentleman's question I shall say there is no doubt that the States and the municipalities are better off financially than the Federal Government at the present time. But again the gentleman fails to recog-

nize the important point, that this is not simply a question of loaning money for the sake of the project itself. The purpose of the grant-in-aid which will be contained in the amendment, is that it will act as a stimulus for these States that have not yet undertaken any plan or procedure for the construction of public works. Let me illustrate by reading in part a report that has been compiled at the request of the Chairman of the Special Committee on Post-war Economic Policy and Planning, a report that has been prepared by the Federal Works Agency in collaboration with the Census Bureau.

Every State was contacted to make inquiry as to what projects it had under contemplation or what projects it had plans for. Of the 48 States contacted, 37 responded. One State reported that no plans were in process whatsoever. Thirty-six of the forty-eight States reported that they had plans. Of the 36 States that reported they had plans for projects, only 22 States reported that they had any fully completed plans. Twenty-three States reported they had plans for projects in the design stage. Twenty-five reported they had plans for projects in the preliminary stage, and thirty-five reported that they had plans for projects in the idea stage.

By project plans in the completed stage I mean where there are final plans and specifications, necessary land, or rights of way secured, and financial arrangements made to the point where bids could be advertised and contracts awarded within 60 days.

By projects in design stage of plan preparation I mean those for which complete surveys, borings, soundings, and so forth, are being made; land acquisition maps being prepared; final plans, specifications, and contract documents completed or in process of preparation; and all necessary steps could be taken to place the projects in the completed stage of plan preparation within 6 months.

By projects in preliminary stage of plan preparation I mean those which have been carried to a point where an engineering report is being or has been prepared covering the scope of and need for the project, and where general layouts, preliminary land-acquisition studies, preliminary estimates of cost, preliminary plans, and similar data, are now available.

By projects in idea stage of plan preparation, I mean those projects the need of which is known and the construction of which is contemplated within the next 6 years, but upon which no basic engineering studies have been made except very preliminary sketches and estimates of cost.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KNUTSON. Mr. Chairman, I yield myself a half minute.

The very able address just made by the distinguished gentleman from New York, sounded to me like a prospectus for a proposed ride that the spenders would give Uncle Sam down printing-press alley.

Mr. Chairman, I now yield to the gentleman from Illinois [Mr. DEWEY] such time as he requires.

Mr. DEWEY. Mr. Chairman, I contemplate attacking this subject from a little different angle than some of the members who have made the able speeches and discussions that you have heard on the bill now before us.

I am not only going to talk to you, my colleagues, but I would like to talk further afield, to the mothers and to the wives of servicemen, and to the young people of this country. What we are doing here, the provisions contained in this bill and the things proposed to be placed in the bill, have a great bearing on the future life, happiness, welfare, and opportunity for success of the young people of this country and for generations to come.

MOTHERS AND WIVES, THIS IS YOUR PROBLEM

Mr. Chairman, with the passage of this bill now under consideration, the Congress will have taken the preliminary steps necessary for the care of our returning soldiers—the termination of war contracts, the disposition of surplus war property and the coordination of the administration of the reconversion under a single director.

For the soldiers—may a kind providence guard and protect them—we provided a mustering-out pay as far back as February of this year, and in June the soldiers' G. I. bill became law. This latter legislation provides for hospitalization, education, loans for purchasing and construction of homes, farms, and business property, and for retraining and unemployment allowances.

For these men of ours who have served and sacrificed for their country, I wish that some magic way could be found by which the cost of these benefits they will receive will not ultimately fall back on their own shoulders in the form of taxes, or increase of the public debt, which they themselves will have to pay.

So many of us, when we recommend that the Government provide the money for a public benefit even as worthy as the G. I. bill, forget that the Government has no money of its own. It obtains all of its funds from one of two sources, either by taxing the people or by selling the people Government securities which the people themselves will have to pay off with interest by additional taxation on themselves. We must always bear in mind that when we make a commitment for the future we are placing a mortgage on the younger people of the country, who in this case are the very soldiers and sailors who have already done so much for the protection of our United States.

When this bill that is now before us was in the Senate and when in committee here in the House, efforts were made to extend the unemployment benefits to all civil servants of the Federal Government and to increase the unemployment benefits as now paid by the different States to a maximum of \$20 per week for 26 weeks a year, all of this additional cost, amounting to many hundreds of millions of dollars, to be paid out of the

Federal Treasury. It is my belief that the people of this country, the mothers and wives of soldiers, and the soldiers themselves, should be informed of what the present financial situation of this country is and what such additional expenditures of Federal money may mean to them.

I am going to place here in the RECORD a few figures to show how this mortgage on our children has grown. These figures in themselves will prove why every mother and wife of a soldier should demand of any person or group proposing the expenditure of the people's money, that they show proof wherein an increase of our national debt or taxes can be justified.

That you may have a basis for comparison, I take you back to the year 1917 when the United States entered the First World War. In 1917, this country had 104,000,000 population and an insignificant public debt of only \$2,975,000,000 or but \$28.57 for each citizen.

In 1919, the year after the war, the population was 106,000,000 but the public debt, due to the cost of the war, had risen to what we then thought to be the fantastic figure of \$25,500,000,000 or \$240 per citizen.

By 1930, the population had increased to 121,000,000 but the public debt, owing to the wise financial planning of the Coolidge administration, had been reduced from \$25,000,000,000 to \$16,185,000,000, or only \$131 per citizen.

During the following 11 years, that is to say, by 1941, the outbreak of the present war, the population had increased to 133,000,000 and the public debt had risen by about \$33,000,000,000 to \$49,000,000,000, or \$367 per citizen.

But what has occurred in the last 3 years? As of today, with a population estimated at 133,000,000 of people, the public debt of the United States is \$203,000,000,000, or \$1,468 for each citizen, and at the present rate of expenditure it is estimated that by June 30 next, it will have risen to \$1,823 for every man, woman, and child, including our soldiers.

That, my colleagues, means that when our boys come home they will start their new lives with a mortgage to pay off of almost \$1,900 per soldier. Should a soldier have a family consisting of a wife and two children, that family starts life anew encumbered by a mortgage of almost \$8,000.

We at home have passed through a period of full employment and high wages with the result that State reserves for unemployment benefits are adequate. We know that, due to his full employment, State reserves for unemployment insurance benefits under the Social Security Act will have reached about \$6,000,000,000.

During our hearings on the subject we were informed by the various State administrators of unemployment insurance that these reserves would probably be more than sufficient to pay any foreseeable unemployment benefits, under the schedules existing throughout the different States of the Union.

In my own State of Illinois, over 2,185,000 workers are covered by unemployment insurance providing benefits of \$20 per week for 20 weeks for which, as of July 31, 1944, a reserve fund of \$422,183,259 had been accumulated.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield at that point?

Mr. DEWEY. Certainly.

Mr. KNUTSON. At this point of the gentleman's address I think the RECORD should show that every State in the Union and the Territories have unemployment insurance.

Mr. DEWEY. The gentleman is entirely correct.

Mr. KNUTSON. Already have, I mean.

Mr. DEWEY. The 48 States and 2 Territories have accumulated, as I have already stated, reserves of about \$6,000,000,000 for this purpose with which they contemplate under their own State laws taking care of their own unemployed people.

Mr. KNUTSON. And \$6,000,000,000 before the advent of more abundant life was some sum.

Mr. DEWEY. These State unemployment reserves, as you know, were built up by a 3-percent tax on the pay rolls of employers and hence were not a burden on the general public nor on the workmen themselves, but any increase of these benefits, as now proposed and for which no reserves have been set up, will be an additional charge against the soldiers and the young people of this country.

In the consideration of this bill and all other legislation having to do with the reconversion from a war- to peacetime economy, we should interest ourselves almost exclusively in those items that will make jobs available to the men of our armed service and, as far as possible, keep our productive efforts on such a basis that employment may be provided for the large percentage of those who had entered our war industries. On the other hand, I shall look with suspicion and, in fact, be opposed to Federal expenditure which will increase the mortgage on our people above the figure of \$1,823.54, which it is estimated it will be on June 30, 1945, or the figure of \$1,468.29, which it actually is today.

Mr. Chairman, in the consideration of this bill and some of the arguments that were made yesterday favoring increase of benefits throughout the States at public expense, I think it would probably be well to see what is the financial condition of the American people today.

Not many months ago when we were considering the 1943 tax bill and the renegotiation-of-contracts law we heard as witnesses important members of the administration, those who were occupied with the maintenance of prices at the present level and preventing an inflationary spiral. In fact these officials came to the Ways and Means Committee urging an increase of the tax on the people by \$10,000,000,000. They claimed that the people due to the full employment and high wages had great sums of unexpended purchasing power in their hands which might go into the market and cause a rise in prices. I thought it

might be interesting to make a more recent investigation of what these sums amounted to today or as recently as I could obtain figures. The figures I am about to give are as of July 1 last.

From these figures which came from the Treasury Department and the Federal Reserve Board it is interesting to note that the so-called Savings Bonds in the hands of the people, the A, B, C, D, E, F, and G bonds at their current redemption value as of July 31, 1944, amounted to \$36,538,000,000.

The currency in circulation outside of banks, in the pockets and in the hands of the people amounted, as of June 30, to \$22,504,000,000.

Individual demand deposits in banks, not business deposits, but those deposits belonging to individuals, withdrawable on demand, amounted to \$18,000,000,000.

Individual time deposits, that is postal savings and deposits in savings banks amounted to \$34,000,000,000. Adding all these figures gives you the astounding total of \$111,000,000,000 in the hands of the American people today, expendable at the American people's will.

What does \$111,000,000,000 mean in comparison to what these same people had during peacetime prior to the war? The total national income of the United States, the average for the years 1938 and 1939, the last 2 pre-war years, was only \$67,000,000,000. That was the total national income. Today, due to high employment and high wages, the American people have more than one and one-half times the total national pre-war income at their immediate disposal. Hence when I consider taking out of the Treasury Department funds for some of the purposes proposed by some of the opponents of the committee bill, I can consider their projects as purely raids on the Treasury at a time when the American people have in their possession \$111,000,000,000 or one and one-half times the total national pre-war income.

I think of the future, I think of the taxes that must be placed on the soldiers, on the younger generation. At my age it makes no difference, I will get along, but it is the coming generation that is going to pay off these sums. They will pay the taxes, they will retire the public debt. I cannot approve any such expenditures unless they are going to create jobs and provide the ability to work in order that the on-coming generations may live the kind of life I had the joy of living in our great country prior to this war.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield.

Mr. KNUTSON. It is an indisputable fact that the boys who are fighting this war will have to pay for it after they get back.

Mr. DEWEY. Not only an indisputable fact but it is regretful that even the benefits they receive under the G. I. bill they themselves will have to pay for.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield.

Mr. GIFFORD. The gentleman recited so splendidly the amount of money the States have built up for unemploy-

ment payments. Did the gentleman recognize and mention the large amount the municipalities all over the Nation have set aside for this sort of relief in order that they may have some public improvements and the men may have jobs?

The municipalities themselves have set aside large sums for practically the same purpose.

Mr. DEWEY. That is expected. Most cities are proud of their own ability to look after their own and I think the people, giving serious thought to what the other system will bring with it, will go back to the old system of self dependence.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. MALONEY].

Mr. MALONEY. Mr. Chairman, the war news has been most encouraging, and, as shadows forecast coming events, it is not unreasonable to expect a victorious ending of this unholy war in the near future. Therefore, it is right and proper that we prepare for our peacetime program that will maintain a stable economy.

In making provisions for the conversion to a healthy domestic business, including the welfare of our temporary unemployed, the orderly demobilization of our armed forces, and its personnel re-established in business, professional, and educational pursuits, we should include and give thought to a program of development of foreign trade. In this last I wish to call attention to the trade that can come from the Middle and South American countries in exchange for our trade, which would be mutually beneficial. By balancing this exchange of commerce, we could develop a very substantial and valuable business.

The people of the South, particularly of the Mississippi Valley, are aware of the possibilities of such an arrangement.

My home, the great city of New Orleans, the metropolis of the South, and the gateway to the Middle and South American countries being close to the Gulf of Mexico, should be the hub on which the wheel of commerce can turn on and through. In our city, we have every facility to carry forward and meet the requirements for a smooth exchange of commerce between this country and our Latin American neighbors. So that you may have a better understanding in regard to our facilities, I shall quote from a statement made by one of our most prominent citizens, one whose life work has been well identified with the upbuilding of the trade in the Mississippi Valley, and one who is prominent in banking, commerce, and shipping. The gentleman to whom I refer is Mr. Rudolph Hecht. His statement was made at the Chicago World Trade conference, on February 14, 1944, in Chicago. Quote:

We in New Orleans view foreign commerce as a very important segment of our business life and we are deeply interested in seeing a greater development of the export and import business between the Central West and the rest of the world. We believe that notwithstanding the competition of eastern ports New Orleans will be the port of exit and entry for most of the products involved

in such trade, and we propose to leave no stone unturned to make it advantageous to your manufacturers to route their shipments that way.

First of all, we are fortunate enough to have excellent railroad service rendered by eight different railroad systems entering our port and the present freight-rate structure is such as to make it cheaper from most valley points to ship through the port of New Orleans than it is through Atlantic ports.

Second. We have in New Orleans unexcelled port facilities and have every reason to believe that in the post-war era our steamship sailings to all parts of the world will be equal in speed and regularity of service to those of any other American port. Furthermore, New Orleans is at the heart of a great system of inland waterways which affords the most economical transportation, thus supplementing in a constructive manner the port's other shipping facilities. The proposed Alexander seaway from New Orleans to the Gulf will provide a shorter and more economical deep tidewater channel to the sea, and thus facilitate the flow of the vastly augmented trade with Latin America and the other countries of the world.

Third. The banking facilities in New Orleans have developed greatly, and although a large part of the credits opened in this country by foreign banks still come through New York institutions, such credits can now in many cases be arranged through mid-western or southern banks if the seller insists on this being done. In any event there is no difficulty in negotiating, and if desired, discounting foreign drafts through New Orleans or other Mississippi Valley banks.

Fourth. New Orleans, which has always been one of the country's great seaports, has now become a great skyport as well, with several new airfields and new air lines, thus making it one of the important international air and surface transport gateways to all points of the Western Hemisphere and affording fast communication for buyers and sellers to get together.

Fifth. There are in New Orleans a number of important export and important houses and responsible forwarding agents to handle the intricate details of the export and import business for those manufacturers who are not versed in such transactions.

Sixth. We have recently established in New Orleans what we believe to be a very worth-while organization for stimulating international trade, known as International House.

A group of businessmen of our city have gotten together with the determined purpose of bringing to the attention of the Latin-American businessmen the many advantages that can be had by the development of commerce between these countries and the United States. They have gratuitously contributed several hundred thousand dollars for the purpose of acquiring and equipping a building that will be known as a center for exchange of culture and trade. This building is being furnished with every necessary equipment and personnel so that all visitors from the Latin-American countries interested in promoting the trade between the United States and their countries will have every convenience at their disposal while in New Orleans.

The gentlemen who have undertaken this program are to be commended for their public spirit and good citizenship as the arrangement they have provided will be most neighborly and of extreme advantage in developing the commerce between the United States and those

countries; and in addition to increasing the trade, many opportunities will be opened up for employment.

Not only is New Orleans the real gateway to the Middle and South American countries because of its natural advantages, but it is a city which has a distinct and unique background with its French and Spanish culture and education that should be most attractive to every Latin-American citizen.

Mr. CHAIRMAN, while we are doing our best to place our Nation's economic system on four wheels, we must not overlook this—the possibilities of the expansion of the trade I referred to.

(Mr. MALONEY asked and was given permission to revise and extend his remarks.)

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, we are told in Holy Writ that in a time of want Elijah betook himself to the brook called Cherith. There he was fed daily by the ravens and he drank of the brook. The Scriptures then go on to say that "it came to pass after a while that the brook dried up."

In recent years, and even in times of plenty, we have seen the cities and the States form the habit of taking copious financial drafts from the brook of the Federal Treasury. I wonder if that brook is drying up? Certainly it is getting very low and is being but little replenished. I wonder if it is still safely potable. I wonder if we might not develop from it a case of poisoning of the body politic. What effect will these drafts have upon our organic system, the system that came to us from our fathers? Will they destroy that system? With the little stream of Cherith "it came to pass after a while that the brook dried up."

Mr. Chairman, I want to talk for a few moments about our national debt. It is not a pleasant subject. We sometimes hear it referred to as the debt of the Federal Government. Technically that is true, but it is really the debt of the American people, and the American people will have to pay it.

We realize that the war has greatly increased that debt. We realize, also, that substantial sums have gone to foreign governments under the lend-lease provisions, and it is quite conjectural how much will be repaid. With reference to the remainder of our debt, we have been told that we owe it to ourselves, but let no citizen delude himself into believing that he is going to pay his part of it to himself.

The size of the national debt is staggering. It is difficult to get an accurate conception of it. The gentleman from Illinois [Mr. DEWEY], who has just preceded me, indicated the amount that it represents in the way of the indebtedness of every man, woman, and child in the United States. Let me bring it also to your attention that it represents more than \$200 for each minute which has elapsed since the birth of Christ. Still the cities and the States keep coming for these Federal grants. It is time for us to awaken to a realization of the fact that there is no such thing as a Federal

grant aside from the constitutional provisions with reference to expenditures by the Federal Government. The Federal Government has nothing to give to the people except what it takes from the people. There was only one period in our history when a Federal grant was possible, and that was when our Federal expenditures were less than \$1,000,000,000 a year. We then could get this amount of money from customs and miscellaneous receipts, and what we did not expend for Federal purposes we could grant to the States. But the people now must furnish all the money for each and every one of these grants and then have part of it taken from them in order that the Federal Government may establish its agencies and bureaus and place restrictions upon the expenditure of the fractional part that is given back to the States.

Mr. Chairman, it is a well-known fact that the cities and the States are in much better financial condition today than the Federal Government. We must realize that the Federal Government is broke and that there is no financial plum tree or grab bag from which we can extract large sums of money and make of Uncle Sam a bountiful monetary godfather for all the people of this country.

I would like also to bring it to the attention of the Congress and to the attention of the American people that these Federal grants have contributed in great measure to the creation of many Federal bureaus against which the people are complaining. When these grants are made and parts of the contribution of the States are retained to carry on administrative agencies, naturally bureaus exist. It does not require very many bureaus to carry on the normal functions of the Federal Government. Many have been created for these abnormal functions. If we can awaken to a realization of the fact that the people are paying all this money and will have to settle this debt, we shall go far toward elimination of these unnecessary Federal bureaus.

I think often in these days of the pioneers and of the hardships they endured. They gave us our governmental system. They believed in the dual system of government that the fathers established. The thought never entered their minds, despite their trials and tribulations and hardships, of coming to the Federal Government for bounty. They were independent, they were courageous, they were thrifty, they were self-reliant; and it behooves us today to set an example worthy of those pioneers, that we may be not merely their passive admirers but their worthy successors in carrying on this Government according to the spirit and purpose for which it was established.

Let us beware, Mr. Chairman, and let the cities and the States and the American people beware; the brook of the Federal Treasury is drying up.

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, if anyone is looking for perfection in the

bill that we have now under consideration, he will not find it there; neither will he find perfection if he looks through the numerous pages of our statute books, for in none of our efforts of the yesteryears have we been able to achieve it. We have come closer in dealing with other subjects for the reason we were dealing with facts which in those instances were not in controversy. But we have less perfection in this bill than that which is usually achieved legislatively for the reason we are at this moment looking into an uncertain future; trying to deal with problems which have not yet formulated themselves, problems which are easy to define in generalities but which are very complicated and very mystifying when we try to break them down into their several parts.

What will be that which the future is to unfold? There is not one among us who would stand up and say: "I know what the future will be." So we cannot today legislate definitely, but we can lay the foundation for detailed legislation to be enacted at a time yet undetermined. And that is all this bill does—lays the foundation for the acquisition of the information we must have; suggest a formula for dealing with that information when it becomes available, and promises the formulation of legislation in the days to come when the problem has been clearly revealed and the necessity of legislation is apparent.

In this bill we take an agency of Government which was created by Executive order, an agency which has been efficient in the main, an agency which has done a good job, and we translate that agency from one based upon Executive order into an agency based upon statutory authority and expand it into an investigatory agency which shall devote its organization to ascertain and reveal the facts which we must face and deal with on the morrow. After reenacting all the powers of the Office of War Mobilization so that it can continue to carry on its war work, we change its name so that it shall hereafter be known as the Office of War Mobilization and Reconversion, thereby adding to the Director's responsibilities the problems that will arise during the transition from war to peace.

With respect to reconversion, and dealing with the future, this bill says that the Director shall formulate, and have formulated, plans to meet the problems of the transition; that he shall coordinate the activities of the various Executive agencies now in existence; that he shall recommend to the Congress appropriate legislation; that he shall cause studies and reports to be made, and that he shall institute specific studies for the benefit of the President, the Senate and the House of Representatives in dealing with specific problems; that he shall coordinate the activities of State and local governments, industry, labor, agriculture, and other groups; that he shall submit reports to the President and the Senate and the House of Representatives, and that he shall also recommend to the Congress at the proper time appropriate legislation to carry out any plans that may be developed under the authority of the bill not already authorized under existing law.

The one I last mentioned is the great justifying feature of this legislation. It is legislation which resolutely faces the uncertain future in the effort to find a way to solve its problems, obligates itself to recommend further legislation when the necessities of the future have been fully revealed, when we know what we are doing. No; this is not legislation that you need apologize for. It is legislation which you can wholeheartedly support. It is legislation that does not contemplate nor admit the certainty of widespread unemployment. It is legislation that looks forward to the time when we, knowing the problem, can find a way to prevent unemployment by providing employment for those who need it; legislation under which a way will be found to keep the people at work. It is legislation that turns its back on the theory of continued poverty. It is legislation that faces the future with optimism, a future which shall involve the intent and purpose to maintain the high level of prosperity which we are now enjoying.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. KNUTSON. The Congress is continually spurred on to consider freak legislation. If it is not inflation, it is something in the offing; it is unemployment. The gentleman will recall a few years ago the medley of dangers that lay ahead of us, but they did not point out to us the one big danger that they were carefully nurturing, and which finally burst upon us with all the fury of a Texas cyclone—war.

Mr. GEARHART. The gentleman's contribution is most timely. We must not forget that the theories which are advocated by those who would reject this bill and substitute the terms and conditions of another are theories that are inspired by despair, defeatism. As the gentleman from Minnesota very aptly brought out, they are already willing to surrender to that which has naught to offer but the misery of widespread unemployment, with doles, gifts, grants, and a further augmentation of the national debt as the only remedy. I know that we cannot unscramble this war effort of ours in a fraction of a second. We cannot stop rationing the instant the last shot is fired. For a long time, longer than any of us are willing to admit at this moment, we will have to continue under a system of restraints, permits, priorities, and rationing—until a measure of normalcy has returned.

After the war is over and the conditions of peace again prevail, we are going to see set up in the United States many an industry which today is inactive or operating only in a feeble way. Little business as well as big business in this country is going to struggle to get into the competition under the most favorable conditions. More than one feature of this bill deals with this competition upon the threshold of which we now stand. The competition between small business and large business for the necessary materials with which to return to peacetime production will be very keen. Each will endeavor to get into

the field under the most advantageous conditions when this post-war competition begins.

There is one thing in this bill that I like, and that is the protection which it will afford to small business in the United States, the competition which small business will have to carry on with big business during the early days of the reconversion. This bill time and time again, in line after line, throws the protection of Government about small business in its unequal contest with the larger and better financed and more powerful big business enterprises of our country. It assures the little fellow an opportunity to get his fair share of the materials he needs under formulas which are just to each. It offers to the American, humble though he may be, courage to face the bitter competition of peacetime with hopefulness, for he will know that he is not going to be overwhelmed by competition that is not fair: Millions upon millions of American people are worrying about that very selfsame thing. Those millions upon millions of little folks are going to be reassured by the writing of this legislation on the statute books. It means that the American system of free enterprise, from the smallest operation to the largest, is going to have the fair and equal protection of the laws.

I am not one who is at all enthusiastic about this provision which provides for the making of plans by local agencies, but I consented to its inclusion in the bill because I thought it would stimulate an interest in local development. It is going to start people thinking about plans for the future. When they have to make a decision between asking for a loan from the Federal Government or doing it at local expense, I am sure they are going to decide to do it without Federal aid, first, because the local agencies are in better condition financially than is the Federal Government to which they would otherwise apply; secondly, because they do not want to involve themselves with a debt when they have idle cash which they might spend for the purpose. Since the interest rate of 2½ percent is a little above that at which local governments can borrow, resort will eventually be made to the local banking institution rather than to the Treasury of the United States. This section of the bill will inspire local interest and local planning will, in the end, work out to the improvement of every community, provide the essential employment opportunity to the unemployed, and, at the same time, render unnecessary an increase in the national debt.

There is so much that is covered by this bill that one might discuss to the advantage of the measure but to do so would be to usurp time which justly belongs to his colleagues. Let it suffice for me to say in a rather abrupt conclusion that this is good legislation, legislation which will work to the advantage and welfare of our country, and at the same time protect us and the country we love from an inordinate increase in the national debt, an objective which must be constantly striven for if the Nation is to survive the shock of this war.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, I regret very much that I have to take a position in opposition to our great Committee on Ways and Means. I assure the membership of that committee that when I do that, I hold no animosity toward any of the members, and particularly against the chairman, because I recognize that he and every member has a right to his own opinion, just as I have a right to mine. Our views may differ, but I believe there is sincerity behind the views of every man, and for that reason I respect the views of my colleagues and I ask that I be extended the same type of respect.

Mr. Chairman, I realize also that there are a great many members who would like to speak on this subject during general debate. For that reason I shall try to be brief. However, I do want to touch on the bill itself because I am one of those who voiced criticism of it on the ground that the bill as amended does not do what it was intended to do. In fact, we considered that when the bill, S. 2051, came to us from the Senate it was an ultraconservative bill. As reported by our committee it is ultra, ultra, ultra-conservative.

In these critical days it is regrettable, indeed, that we cannot be in agreement on such an important subject as the one before us. We realize that orderly demobilization and reconversion are the keys to our future economy. It is a most important matter, and I am not a bit surprised that we cannot all be in agreement as to how the job should be done.

Our first objective, naturally, is to win the war, and we must not lose sight of that fact. The war is not yet won, and no one can exactly predict when the end will come. Therefore, our war effort must not slacken.

On the other hand, because the war is going so well in our favor, we are justified in looking forward to the post-war period, particularly to the period of transition from war to peace, and to make plans for the returning members of our armed forces and for the orderly demobilization and reconversion of industry so that there may be no mass unemployment but jobs for all who want to work.

We have already made provision in the G. I. bill for the returning service men and women. We have provided for business and industry in the Contract Settlement Act and in the surplus-property bill, as well as in the bill before us, as was so well pointed out a few moments ago by the gentleman from California [Mr. GEARHART].

We have heard a great deal about free enterprise. If by that term is meant operation of business and industry on a fair, competitive basis, I am for it 100 percent, but if, on the other hand, by free enterprise is meant monopoly, cut-throat competition, or big profits for the employers and starvation for the employees, then I am against it 100 percent.

It is argued that our national income must be maintained around \$130,000,000,000 in order that reasonably full employment may be provided. Unemploy-

ment means less purchasing power and less purchasing power means less national income, and out of that circle there is bound to come an increase of unemployment.

We are hopeful that reconversion will be rapid so that unemployment will be reduced to a minimum. That is only a hope, and we must prepare against the possibility that our hope is not realized. It is imperative, therefore, that in making plans for the transition period all parts of our economy be included, and so far the only category that has been left out of our plans is the worker.

Extension of coverage to 26 weeks with a maximum of \$20 per week would, I believe, cushion the shock of reconversion and maintain the purchasing power of the Nation.

We must not lose sight of the fact that unemployment insurance payments are not made indiscriminately. To be eligible for unemployment insurance payments, a worker must be registered with the United States Employment Service; he must not refuse employment for which he is qualified; and he must have good reasons for having left his previous employment. With these safeguards, unemployment insurance payments are made only to workers who are out of work because they cannot find a job.

It is reasonable to believe, therefore, that while no one can estimate exactly the cost of the program, if our program of reconversion is successful and jobs are provided as we hope they will be, the cost of unemployment insurance will not be great.

Various experts, such as the Brookings Institution, the United States Bureau of Labor Statistics, and others have estimated that under the most favorable conditions new jobs must be created in excess of those existing in 1940 for approximately 15,000,000 workers.

With these facts before us, is it any wonder that war workers, especially those not covered by the Unemployment Compensation Act, are seeking to leave war industry and get into nonwar industry in the hope that at the end of the war they will be in a position where they will feel that they have permanent employment?

I want business to prosper, but I also want to be sure that we do not forget the human element in this entire proposition. I realize that business has a big job, that business and industry are eager to do the right thing. I am conscious of the fact that we have passed considerable legislation here to that end. I am also conscious of the fact that business and industry have made enormous profits out of this war and that, in addition to their war profits, they stand to secure a refund from the Federal Government after the war is over that will run anywhere from \$15,000,000,000 to \$30,000,000,000. That is possible under existing tax law, in the relief provisions of section 722 of the Internal Revenue Code, the post-war refund provisions and excess-profits credit carry-back provisions of section 710 of the code, and the net operating cost carry-back provisions of section 122, as

well as a possible readjustment of amortization benefits under section 124.

I base that statement on the following letter written to Secretary of the Treasury Henry Morgenthau, Jr., by Guy T. Helvering a few days before he left the office of Commissioner of Internal Revenue. The letter follows:

OCTOBER 6, 1943.

Mr. SECRETARY: The committee which I appointed some months ago to recommend bureau organization and procedure for administering the relief provisions of the excess-profits-tax law (section 722 of the code) has submitted the following memorandum relating to the number and amount of relief claims, and to the possible effects on post-war revenues of the various provisions of the code authorizing refunds of corporation taxes collected in wartime:

"In our report of August 3, 1943, we submitted an estimate of the extent to which the relief provisions embodied in section 722 of the Internal Revenue Code would be availed of by taxpayers. We stated that, on the basis of the information then available, as many as 20,000 claims would probably be filed for the taxable years 1940, 1941, and 1942. We estimated that a net revenue reduction of well over \$1,000,000,000 would be sought in such claims. This meant that more than \$2,000,000,000 of excess-profits tax would be claimed as overpaid, and that if the taxpayers' claims were allowed in full the net reduction in their tax liability, after deducting the offsetting additions to normal tax and surtax, would exceed \$1,000,000,000. Except as taxpayers have already reduced their tax payments by reason of their relief claims (see sec. 710 (a) (5)), the net amount of relief allowed will be refundable.

"Through September 20, 1943, 24,834 claims for the recovery of \$2,190,443,311 in excess-profits tax have been filed.

"Approximately 5,000 corporations secured extensions of time to file their returns for 1942. Such extensions were for periods up to 6 months. In these cases, September 15, 1943, was not the last date upon which claims could be filed. As a rule, the corporations securing extensions of time to file were the larger corporations. A majority of them will doubtless file relief claims under section 722.

"Other corporate taxpayers have had faith in the statement contained in the press release issued upon the joint authority of the Secretary of the Treasury, the chairman of the Finance Committee of the Senate, and the chairman of the House Ways and Means Committee to the effect that an extension of time to file would be granted by Congress immediately upon its reconvening.

"In view of these facts, it now seems likely that more than 30,000 claims, asking for a reduction of more than \$3,000,000,000 in excess-profits tax, will be filed with respect to the taxable years 1940, 1941, and 1942. The maximum amount of refunds, if such claims were allowed in full, would exceed \$1,500,000,000.

"Determinations of constructive base period net income under section 722 will ordinarily establish bases for all subsequent years during which the excess-profits tax remains in force. Until such determinations are made, overcollections will commonly continue from year to year. In consequence, the total amount to be refunded will increase with each year's filing.

"The large volume of potential refunds under section 722, in conjunction with potential refunds under other provisions of the code, threatens to reverse the net effect on the results of the audit of income-tax returns. During the fiscal year 1943 such audit resulted in the assessment of \$321,973,101 of additional taxes. Additional assessments are continuing at an even higher rate during the months of the present fiscal year

for which we have data. However, as soon as claims under section 722 are acted on in large numbers, it seems likely that the resulting refunds will more than offset all additional assessments. Moreover, there are a number of other provisions of the Internal Revenue Code that promise refunds of even larger amounts.

"While this threatened change has no direct bearing on the administration of section 722, we feel justified in bringing it to your attention because of the fact that section 722 will play so large a part in bringing it about.

"Sound administrative considerations appear to demand an over-all study of the probable effect upon tax revenues for future years of the relief provisions (section 722, I. R. C.), the post-war refund provisions (section 780, I. R. C.), the excess profits credit carry-back provisions (section 710 (c) (3), (A), I. R. C.), the net operating loss carry-back provisions (section 122 (b) (1), I. R. C.), and the possible readjustment of amortization benefits (section 124 (d) (3) I. R. C.). It may not be unreasonable to think that refund of previously collected taxes under these statutory provisions will present a grave problem of national financing.

"We feel safe in advising you that unless the public mind is thoroughly prepared for the amounts of corporate refunds that will have to be made, the payment of such refunds may develop a critical press and provide opportunities for political discussion of tax administration that will dwarf even the experience that followed the adjustment of the tax accounts of corporations after the last war."

I agree with the committee's views as to the seriousness of the refund problem and as to the wisdom of undertaking an early appraisal of the over-all effects of the refund provisions on post-war financing. Press reports have indicated that Under Secretary Patterson, of the Department of War, in testifying before the Ways and Means Committee, suggested that possibly \$15,000,000,000 might have to be refunded. A news item indicates that estimates have been stated from other quarters of a total possible refund cost of nearly double that amount.

Before leaving the Bureau to assume my new duties, I feel it my duty to bring the matter to your attention, and to suggest that it may be of such importance as to warrant calling it to the attention of the President.

GUY T. HELVERING,
Commissioner.

Mr. Chairman, as I said at the outset, I have much that I should like to say on the bill before us, but I want to give my colleagues an opportunity to get the floor. I am not going to monopolize it any longer than is necessary. I do want to refer, however, to two items in particular.

One item is that we are supposed to provide in the bill before us for the Director of Mobilization or the Director of Demobilization, whatever he will be called, to have the same powers that he has under the Executive order. However, I invite the attention of the Members to part of the language which has been stricken out of the old section 101 of the George bill, where we strip the Director of the power to issue directives to executive agencies. We strike from the bill that clause which reads:

Each executive agency shall carry out the directives of the Director—

Naturally, they will not carry out any directives if he cannot issue them. But

in subsection 4 of section 102 of the George bill there appears this language, which the Director is supposed to carry out—

promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between such executive agencies in the development and administration of such plans.

I ask you, how can he settle controversies if he cannot even issue a directive?

I am not going to say any more on that point. I am just going to make one more point very, very briefly. On tomorrow or the next day when, in the reading of this bill, we reach that portion where it will be appropriate, I intend to offer as an amendment the reinstatement in the bill of section 403 of the George bill so as to provide for the coverage of Federal employees under the benefits of unemployment compensation. I feel that Federal employees are just as much entitled to compensation when they are out of employment as the individuals working for private concerns. It has been illustrated in this way by some of my colleagues.

There are two plants, one on each side of a street, one operated by the Federal Government and the other operated by a private contractor, both doing the identical type of work, war work. The man in private employment receives a higher rate of pay than the man in Government employment, whether it be a shipyard, torpedo station, arsenal, or powder plant. However, when the work stops and both men are thrown out of employment, the man who works for the private individual is entitled to unemployment compensation, whereas the man who works for the Government is not entitled to any compensation whatsoever.

The effect of my amendment will not be to make this a permanent proposition but only to carry it over during the reconversion period, simply during the life of the bill we are now considering.

We know that cut-backs and cancellation of contracts will mean that overnight thousands and thousands of people will be thrown out of employment.

We also know that after reconversion many plants which now are working on war production will not employ as many people when they go into consumer goods production. Under those circumstances you will have to find jobs, and as I said before, it may amount to perhaps 15,000,000 in excess of the number of jobs we had available during the 1939-40 period.

(Mr. FORAND asked and received permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I now yield 10 minutes to the distinguished gentleman from Massachusetts [Mr. GIFFORD].

(Mr. GIFFORD asked and received permission to revise and extend his remarks.)

Mr. GIFFORD. Mr. Chairman, I feel like complimenting the acting chairman on the splendid speech he made a few moments ago when he declared that all the people will have to pay the national debt. I have been made to realize that fact. But I am seemingly supposed to be one of those who should vote for measures to take away from certain classes of people and give to those people who are now led to expect to pay a full share of the national debt. How are we going to counteract that theory? They have been made to believe that only the wealthy will pay the taxes and that the poor will receive benefits by using me and you to constantly take away from one class of people to pay largesses to another class. But that was a splendid speech made by the gentleman from Texas. I think it will be quoted very generally. He said that very few bureaus ought to be needed to run this Government. Is it possible that every law we now pass makes it necessary for us to set up a bureau to carry it out and to have an army of snoopers to seek out violators? Formerly we waited for an aggrieved party to complain and go to court. The law was specific. Now we have a drive here, apparently, that we should pay much larger unemployment compensation. I approve of a reasonable amount, and I always have, in the case of accidents and other unfortunate conditions, but only during the length of the period of necessity.

You and I have made inquiries, probably, of unemployment agencies and asked them, "Are you paying out money that should not be paid?" I interviewed one, and they told me, "Yes, but we can get no attention paid when we report the cases." Did you read the article where 100 employees in one large establishment were drawing unemployment compensation, although they were still working? It seemed they managed to hide away from the inspector, and alternated on night work. Why should that magazine print such a thing if it was not true? How careful we must be about this matter. When we get it in the minds of the people that they can draw unemployment compensation for a certain number of weeks and can then return to work for a week, in collusion with the employer, and still go on and draw another 16 or 20 weeks of compensation, it is not good for the morale of our people. Is it possible, after many of the States like my own State, have made ample provision for unemployment compensation, that there are certain States which are not forehanded and want to place the burden on the Federal Treasury? Is it their voice that is forcing us to further burden the Federal Government and Federalize employment agencies? Keep the Federal Government out of this unemployment agency, formerly a State function. Our States are more competent to judge these payments than the Federal Government here in Washington. When we offer too great an inducement, what happens? The great majority of our people are honest and hard-working people; but there are some lazy, unprincipled people, are there not? There are people who

would not try very hard to get a job if they could get \$35 a week. Have I used this illustration before? If not, will you see the force of it? The little daughter of a working man was met by the foreman who asked the child whose father was injured on the job. "When will your father come back to work?" She replied, "I do not think for a long time. Compensation has set in." I think that illustration is a good one. Human nature is what it is. How many people would hurry to get a job if they could receive \$35 a week for a long period?

It is contrary, as one of the previous speakers has said, to what our fathers taught us; not to encourage laziness, not to encourage avoidance of work by bleeding the Federal Treasury and thinking they will take it away from somebody else and that they do not contribute. We have been taken a very long way along this road lately. There is now \$111,000,000,000 "spendable" according to the gentleman from Illinois. Thirty-six billion dollars in war bonds, cashable, "spendable", he said. Thirty-six billion dollars, Mr. Chairman, that can now be demanded of the Federal Government. Oh, you younger Members do not recall, but I have made many a plea here and worried myself a good deal about a debt of \$40,000,000,000. I did not dream I would ever have the courage, or you either, to tax the people as you are taxing them today, to the extent of forty-odd billion dollars. I have often said that the public debt could be met only by willingness of Congress itself to tax the people to pay it. We have shown great courage. I want to say to the gentleman from Illinois that he made a splendid speech today and it will be very helpful. I want to ask him if he does not realize fully that while the people do pay these taxes, many are made to believe that somebody else pays them and that they receive the benefits. They do not realize that they really do pay a large portion. How can we teach them? It seems difficult to arouse them. As to these unemployment problems, my State and municipalities have raised large sums, usually invested in United States bonds that are cashable so as to provide employment when the war is over, by making public improvements in those municipalities and for assistance in other directions. The smaller communities in my section are looking well after the future at the present time, and there should be employment and benefits for those out of present jobs. That is the ordinary municipalities.

In the large centers, where great numbers of workers have secured jobs in war plants, will they still want to stay there? Must we transport many of them at the expense of \$200? Must we pay them unemployment compensation rather than induce them to return to their old jobs? Many competitive situations will arise. My New England is greatly worried, as only 3 percent of the Nation's money has been spent there for plants and new business, and that sort of thing, while they are supposed to furnish 9 percent of the production. These new plants built in other places, in far away places, where workers have been transported at

great expense, will they not be competitors of that New England section? I am expected to protect the established business of New England.

The pendulum of relief agencies has been swinging too far. This administration in the last 10 years has indoctrinated our people with these ideas. What of the national debt? The national debt does not seem to worry those in high places. As one speaker once said here, "What of posterity? What have they done for us?" The gentleman from Illinois [Mr. DEWEY] mentioned our duty to posterity. What have they done for us? Is that the viewpoint of some people? It does seem so. The gentleman said, "I am getting older. I can get along." I think I might apply that to myself; but I do worry a great deal about posterity. I have those whom I dearly love and wonder what their future may be. The only comfort maybe is that they say they will live under the same kind of government as other young people and, therefore, they might not be unhappy. If all people live under the same conditions, then one does not feel so unhappy, it is said.

I feel very strongly about his unemployment insurance. I was in the Massachusetts State Senate when the matter was proposed and enacted there. I have watched it. Lately here has not been enough of real supervision and it is thought unwarranted payments have been often made.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. KNUTSON. I will yield the gentleman 2 additional minutes.

Mr. GIFFORD. I was about to mention New York and Philadelphia. The Saturday Evening Post and other magazines have portrayed this situation badly. Did you not recall the story where the young lady wanted to get married and so she went on a wedding trip and drew unemployment insurance while she was gone? What wonderful uses they have made of it. The conscience of many of the people has been weakened. There are rules and regulations by the thousands now promulgated by the agencies of government and avoidance of them is altogether too universal, because not approved by the people. They obey if they have to. How the businessman struggles to fill out the voluminous reports required. He is very much opposed to further exactions.

As I have said once before, and I shall say it again, what I dread mostly today is this alien-led, alien-made-up conglomeration of radicals obtaining further influence and control. Is not labor itself forging its own chains of slavery? What pawns labor would be under such a leadership as that. A laboring man would have a job only if they would let him work; he would have to take the price of his labor as they would dictate. What can we do to make labor wake up and rid themselves of such leadership? Has that word "reasonable" entirely disappeared from the Constitution and laws of the United States?

In closing I repeat, must we be simply tools to be used by certain classes of peo-

ple to take away from the successful, the thrifty, the honest class who are willing to work, and give to those of the opposite viewpoint?

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. CAMP].

(Mr. CAMP asked and was granted permission to revise and extend his remarks.)

Mr. CAMP. Mr. Chairman, as our mighty armed forces advance steadily across Europe toward the German border, sweeping across lines and fortifications thought by the enemy to be impregnable, victory not only is assured to us, but it is imminent, and the careful and thoughtful consideration by Congress of demobilization and reconversion plans, and legislation to marshal all our strength for a change or transition from production of instruments and munitions of destruction or war to the production of the goods and implements needed by our citizens in the civilian pursuits of peace, is not only timely but necessary now lest we lose precious time. As I see it, the oft-referred-to post-war era is not far distant.

As I view the situation, there should be no great fear or dread of any dire hardship to be experienced by our people in making this change if well-laid plans are adopted and we proceed with thought and care to the job that faces us.

A nation that has produced military leaders with the ability to plan the strategy of north Africa, Sicily, Italy, and France; the solution of the submarine menace; and the supply lines established around the world, will certainly produce the leaders to effect this transition. A free nation whose magnificent leaders of industry and labor changed so quickly from the manufacture of goods for peaceful civilian uses to the engines and munitions of war, and in such a manner as to startle the whole world, can certainly make this reconversion.

I do not intend to speak lightly of the problem before us, but I for one, have the deepest and fullest confidence in the ability of our people, if unhampered by too much regimentation and governmental restriction, to again startle the world in their change of front from war to peace, by the swift "beating of swords into plowshares and spears into pruning hooks."

Now I shall not go into this bill in great detail, for those who have spoken before me have covered the subject well. I do want to say that the Committee on Ways and Means has spent nearly 3 weeks of hard work on the subject, and that our deliberations were not marred by partisanship, and the bill we have represents the careful opinion of the great majority of the committee.

I like the statement made yesterday by the gentleman from Kansas, and I believe the majority of our committee believe that the Government must play an important part in the transition period, but that we must not enact a law

that will impede or strangle the efforts of American industry.

Something has been said about not having hearings. We have had before us the very full and complete work of the two committees, the War Planning Committee of the House and the committee of the Senate. We have had the Senate hearings before us. We have had Mr. Justice Byrnes before us. We have had the full report from General Hines. There has been no lack of information before this committee.

The full employment of our workers in private industry is our goal, and to have a great production and fair distribution of these goods labor must be employed at useful work, and industry must have a fair profit.

This Nation, in winning this struggle, has amassed a large national debt. We must stop deficit spending at the earliest moment and begin whittling down that debt.

The object of this legislation is not to pay pensions to everybody who works in this country. The object of this legislation is to coordinate all our forces, all our efforts toward this great change, this about-face, this return of American industry to the American way of producing goods, in order that we may have full employment for all of our people and in order that we may get about the job of producing civilian necessities, not only for our people at home but for the markets abroad.

What has this bill done? It establishes a great office here. I call it great, because I think it will be the most important one we will have in the immediate era after the war.

This bill establishes the Office of War Mobilization and Reconversion, with a Director and Deputy Directors to have general supervision over and to coordinate the work of the Office of Contract Settlement, the Surplus Property Administration, and, in addition to any powers which the President is authorized to and does delegate to the Director for the purpose of more effectively coordinating the mobilization of the Nation for war, the Director shall, subject to the direction of the President:

First. Formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace;

Second. Coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace;

Third. Recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

Fourth. Promote and assist in the development of demobilization and reconversion plans by other executive agencies, develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies, and settle controversies between such executive agencies in the development and administration of such plans;

Fifth. Cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of executive agencies which exist under Executive order only, and for the relaxation or removal of emergency war controls;

Sixth. Institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

Seventh. Consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning the problems arising out of the transition from war to peace; and

Eighth. Submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October on the activities undertaken or contemplated by him under this act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

When this bill was drawn it contained section 3 which provided for a coordinator for retraining and reemployment.

Mr. Chairman, we have already established by an act of the Congress what is popularly known as the G. I. bill for full training for the returning soldier and we have settled as a policy of the Congress and the Government, and it is the desire of the Nation, that the soldier be given every opportunity to return to peaceful pursuits. We have established training for the soldier and we have made it possible for them to resume any college training he may have done prior to the time he entered the war. All of that training by the act is placed under the Veterans' Administration now headed by General Hines. General Hines has had under his direction the retraining and rehabilitation of the soldiers from World War No. 1. He has experience in that line. On the other hand we have set up in this country vocational training and guidance which is under the Social Security Administration at this time. Under that great program as set up in every State in the Union training is available for any citizen regardless of his age and regardless of where he has worked. That retraining program might be called a vocational training program for any occupation. It is now established and has directors in each State, and even though we desired to do so, there is no need to set up another retraining or training supervisory course or organization for workers in industry.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield for an observation?

Mr. CAMP. I yield.

Mr. KNUTSON. The gentleman has failed to mention the work being done under the Smith-Hughes Act, which is very extensive.

Mr. CAMP. I group them all under the term "vocational training and vocational guidance."

Mr. KNUTSON. But if they were separated we would find there were 4, 5, or 6 activities carrying on that work. If we were to add to that it would merely cause confusion and duplication.

Mr. CAMP. It would bring about confusion.

Mr. KNUTSON. It would bring about greater confusion.

Mr. CAMP. There is no question about that. We have the great opportunity schools established all over this country for young people who are at work and want to better themselves and take training in some other vocation. We have the night schools in all the engineering colleges. I know well the one in my own State of Georgia, the Georgia School of Technology night school, is giving engineering training to boys who work in the daytime but who go there to study in the afternoon or at night. There is vocational training and guidance and there is no necessity of setting up here or authorizing under this bill any further retraining.

As I have said before, the bill in its general terms gives this director the right to coordinate any work that needs coordination between the training of veterans under Veterans' Administration and the National Vocational Training organization.

I wish to refer to another feature of title III of the George Act, which was stricken from this bill, a section which provided free transportation for workers, their families and their household goods up to the amount of \$200 from the place they worked back to the place whence they came. The Ways and Means Committee of this House is the fiscal committee or the business committee of this House, and to authorize this expenditure of what perhaps may run into billions of dollars could not be done. There was no way we could find out how much would be involved in paying those transportation charges. We have not deemed it necessary to do it. It was only after much thought and consideration however that the title was stricken.

Mr. Chairman, in bringing this legislation to the membership for their consideration I feel sure the members of the committee who voted to report this bill out in its present form agree that our main object is to turn the wheels of American industry into the production of peacetime needs and goods thereby giving employment to all these people who have been at work in essential war industries. It is our belief that American industry which has made a great chapter in American history in this war by its production of war goods in such quantity and without interruption, a feat that has earned for them the admiration of the whole world, that same industry can if given the opportunity and unhampered by Government restrictions produce jobs for the workers of this country.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield.

Mr. DOUGHTON. In the judgment of the gentleman, has there ever been a time in the history of this country when the needs for peacetime production were as great as they are now and when the people were as able to make those goods as they are now?

Mr. CAMP. I am so glad the gentleman suggested that. The whole plan from the beginning of this war—and this plan has been shared by business and by labor and has been nonpartisan—has been to get back into civilian production with as little delay as possible when the war needs had been filled. The fact that we stopped the production of civilian goods entirely and turned all our energies to the manufacture of war goods makes the needs for civilian goods all the greater, in fact greater than has ever been known in this country. Not only does the need exist, but by holding down prices and encouraging savings the American people have the greatest buying power they ever possessed. I see nothing to keep down employment in this transition. The only necessary thing I see is to hasten the day and give them all the encouragement and help possible.

Mr. Chairman, I yield back the balance of my time.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I wish to preface my remarks by saying that I have a profound and sincere admiration for the personnel of the great Committee on Ways and Means of the House of Representatives, and I have also some understanding of the problems with which they are confronted; but neither my admiration for their ability and sincerity nor my understanding of their problems should prevent me from saying that in the bill reported out for our consideration they have failed in a very signal respect to meet some of the great problems which are going to confront us. I have some idea why that failure took place. It was probably through a sincere desire for economy, an anxiety as to the size of our mounting national debt, a wish not to burden the taxpayers of this country unnecessarily. I respect the motives, but I maintain that in so doing they have been cautious where they should have been bold, and their caution has blinded them to the great problem which will face American industry when we have a cut-back and a shut-down in production in some of our war plants.

I read an item in the paper the other day to the effect that it is expected that 300,000 workers will lose their jobs as soon as the aviation program comes to a close. I understand a great many of those workers are located in the State of California, which has grown to be the great center of the aircraft industry in this country. I also understand that California has a progressive and liberal unemployment-compensation law. What is going to happen to those workers who are left in California? Is it ex-

pected that they shall drain the unemployment fund of the State of California, when the necessity for their presence there was not caused by the peril of California alone but rather by the peril of the 48 States, the peril of the country as a whole?

The committee in the pending bill has deleted a provision that the return of these workers to their homes shall be aided by the payment of traveling expenses. Even were this payment retained, there are many of them who will not return to their former homes but will become domiciled in California. They will take advantage of the more liberal unemployment compensation allowances in that State. I do not know that there is very much we can do about entirely curing this situation. But I think we can do more than we are doing in this bill.

In the first place, I do not see any reason why the return of these workers should not be encouraged and facilitated to the place of their origin or, possibly, better still, to some other locality where gainful employment can be found. Considering the national scope of this problem, that the eventual reemployment of the workers now employed in California may occur in States such as New York, Pennsylvania, New Jersey, or Michigan, I am brought inevitably to the conclusion that this is a national and not a local problem and that any cry or plea of States' rights fails to meet the practical realities of the situation.

I have no desire to unnecessarily concentrate in Washington the functions of government which should belong to local governmental units, but also I am not blind to the fact that due to the centralization and the national character of industry today, with huge corporations having holdings in very many States and due to the war emergency, which has uprooted people from their homes and has compelled them at the insistence of the Government to settle in congested war areas, this is not a State problem; this is a problem national in scope which requires national administration.

Mr. ROWE. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Ohio.

Mr. ROWE. Does the gentleman's statement apply only to the transportation feature?

Mr. WRIGHT. No; and I thank the gentleman for his question because it leads me to another point which I was going to develop. This national treatment applies not only to transportation but also to the unemployment compensation features of the bill.

I can see how unemployment compensation should be left, and justly so, in the hands of the States in normal times. Every State adjusts its unemployment compensation to its own economic needs and to its own revenues. Some of the unemployment compensation payments I consider rather low, but perhaps I should not speak with too much certainty upon that point since I am not acquainted with conditions which may have prompted the size of those payments or entered into the determination of the

size of the payments. But that is the normal peacetime picture.

We are in a state of emergency. This war will not be over so far as settling back to peacetime conditions when the last gun is fired. We have an obligation to our country and to our people to see to it that everything possible is done, not only to stimulate industry to a great peacetime production but also to prevent large-scale unemployment during the period of reconversion to peacetime life.

Here is another factor which I do not believe very many Members have taken into consideration. We have heard many statements on the floor in the past when debating the O. P. A. bill and other bills about the spiral of inflation. That is a mounting spiral caused by an acceleration of prices which if it is not stopped in time will become so rapid as to be irresistible. But there is also the possibility of a descending spiral in unemployment. If we have a great portion of our population stagnated in some of the large industrial centers where there has been a shut-down in war industry, if we do nothing about it, we immediately lower to a very appreciable extent the purchasing power of the American people. If we lower the purchasing power of the American people we discourage the industries which depend upon these very same people for their markets to purchase their goods. We thereby, consequently, create more unemployment.

Even to the extent of burdening the already overburdened taxpayers, we must make certain that the American people are going to be gainfully employed, above all. In the meantime, during the transition period when they are out of work and when our Government and industry are trying to place them somewhere else where they can be gainfully employed, they should not be allowed to remain out of work and they should not be allowed to become destitute. I recall very vividly the condition which existed in 1930 and 1931 when the American people probably reached, particularly in industrial centers, the lowest and saddest state of destitution and poverty in our history. Coming from a community such as Pittsburgh I do not believe I will ever forget it. It was the philosophy of the administration at that time, which I deprecated and which the American people deprecated, as they later showed, that the welfare of the American people, their opportunity to eat and have some place to live, was no concern of the Federal Government, that it was a State matter with which the Federal Government had no right to interfere. It is not my purpose to stand before the House today and conjure up a vision of the repetition of that unfortunate period, but I think it entirely possible that during the period of transition we are going to have much misfortune and much hardship.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. KNUTSON. I wish the gentleman would correct me if I am wrong, but is it not a fact that up to the time of Pearl Harbor we had spent \$18,000,000,000 for relief and still had ten and one-half million unemployed.

Mr. WRIGHT. I do not have the figures. I know there was some unemployment at the time.

Mr. KNUTSON. Some. I will say there was some.

Mr. WRIGHT. I did not wish to go into the matter, but since the gentleman propounded the question I will say that prior to 1932 the American Nation was in a condition bordering upon revolution because the people were walking the streets of America and they did not have anything to eat and they were desperate. I do not propose, if I can raise my voice, to see such a condition return.

Mr. KNUTSON. If such a situation existed at that time, it was because the Democrats in the House refused to cooperate with the Republicans.

Mr. WRIGHT. The American people did not blame it on the Democrats, as the election at that time showed.

Mr. KNUTSON. The gentleman knows the American people are gullible.

Mr. WRIGHT. I refuse to yield further.

They are gullible, but they are not so gullible as to accept the explanation which the gentleman is trying to make.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. ROWE. I would like a little further amplification in connection with this compensation matter. The statement was made that it was a national responsibility. I would like to have the gentleman's views on that.

Mr. WRIGHT. I believe the administration of unemployment compensation should remain in the States even during this period of emergency. I believe that after the period of the emergency is over, and when we return to what we hope are normal conditions, that all Federal aid, such as was contemplated in the Kilgore bill—although I do not agree entirely with it either—should cease, but I believe that during the period of the emergency the administration of unemployment compensation should remain in the States, but that the Federal Government, as a wartime obligation, should supplement that amount so that we would have practical certainty that we are not going to have hordes of unemployed. Various amounts have been suggested. The gentleman from Michigan suggested 26 weeks, with a maximum payment of \$20. Other amounts suggested are considerably higher. I do not know exactly what the proper amount should be, but I feel, with all the sincerity I can muster, that the bill that has been reported out by this committee is inadequate and neglects entirely the problem of our post-war unemployed.

Mr. ROWE. Is it the gentleman's conclusion that if we have the right to extend Federal aid to some State in order that it may raise its compensation, that we likewise have the same right to extend help to another State to bring theirs down?

Mr. WRIGHT. Of course, I think there are some safeguards in the Unemployment Compensation Act which would prevent the States from lowering their payments. After all, I do not think any of our States are going to

be so unstatesmanlike and so parsimonious with their own people that they are going to reduce their payments merely because the Federal Government chooses to help them.

Mr. ROWE. Some States were mentioned here yesterday, Missouri being one, paying 50 cents. If the Government said to the State of Missouri, "We will give you aid if you will raise it to \$15 a week," can the Government by that same gesture of authority say to the State of Connecticut, "We will give you aid if you lower yours to \$15 a week."

Mr. WRIGHT. The gentleman is entering into a mathematical computation that I have not even considered, may I say to the gentleman. My sole thesis is this: I think unemployment compensation should be left in the hands of the States in normal times, and although the management of unemployment compensation should be left in the hands of the States at the present time, in this period of emergency, where people are far away from their homes and crowded and congested into certain war centers, it becomes the Government's obligation to aid the States insofar as unemployment compensation is concerned until those people are rehabilitated into normal civilian life.

A bill has been introduced by the gentleman from Michigan [Mr. DINGELL]. I understand that it represents the sentiments of the combined labor organizations, the American Federation of Labor, the C. I. O., and the brotherhoods. I think that it has very many good features and in a choice between the two bills I would support it. I do think, however, if we had more time to work out a bill we might be able to harmonize some of the differences between the bills; in other words, I do not think that either group has achieved or arrived at a perfect bill yet. I say that with full knowledge of the gravity of the situation and of the difficulty with which we have been faced.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. DEWEY. I think we all have the same feeling regarding unemployment as does the gentleman.

Mr. WRIGHT. I am quite sure the gentleman has. We have different ideas as to how to alleviate it.

Mr. DEWEY. Probably differences of ideas. But when one glances over the benefits that are now being offered by the different States, they are rather adequate, to a certain extent, in consideration of the very full-time employment that has been going on during the past year.

Take in my own State of Illinois, they take the highest quarter of the year preceding the period of unemployment, and take 5 percent of those wages, with a minimum of \$7 and a maximum of \$20. With such high employment you are going to find very few minima. It will be pressing mostly toward the maximum. We have had word from all of the State administrators that the six billions of funds is adequate to take care of those unemployed payments under the State benefit plan. This bill provides that we

make advances to the State, should those funds prove insufficient. I think the query is: Can this country carry on a benefit Nation-wide at \$20 for 26 weeks?

One must admit that living costs in the South and in certain sections of the country are less, because they do not have fuel expenses, for instance, and it is generally admitted, I think, that living costs in the smaller cities in the rural areas, are less than they are in New York City or Chicago. I think if you make a flat payment it is too much, and I think these States have probably worked out what their workmen would require.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DEWEY. I thank the gentleman for letting me consume his time. I hope the distinguished Chairman will grant him additional time.

Mr. KNUTSON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. WRIGHT. I thank the gentleman. The gentleman will realize that when I began my address to the House, I commended the sincerity of the committee in attempting to work out what they considered a good solution. But I will tell the gentleman frankly what I am afraid of. I think, as I said before, that probably the States are the best judges of what their own unemployment compensation should be in normal times. But I am afraid of a great mass of workers being congested in such an area as the West coast—as Detroit, and as some of our eastern shipyards. I do not think we are going to have a very great problem in Pittsburgh, because I think our reconversion problems are going to be simple compared with some of the other sections. If these unemployed workers are congested in these centers, and if we do not provide for such an emergency we will accelerate, or we will promote a depression instead of an inflationary period, and we will make it impossible for us to ever retire our national debt or to maintain a high scale of production and a high scale of national income. That is my fear. I want the gentleman to remember that if there is no unemployment, we do not pay anything. We are not spending anything unless the worst comes to pass.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KNUTSON. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania, so that the gentleman from Illinois [Mr. DEWEY] may ask him a question.

Mr. DEWEY. The gentleman mentioned the State of Michigan, which has a maximum payment of \$20 for 20 weeks. Under this bill should the reserve fund in the State of Michigan prove inadequate to take care of all those war workers who have come to the State of Michigan and who will get their benefits—

Mr. WRIGHT. And who might not go home. Some of them are registered there.

Mr. DEWEY. Yes; but should they go home they still would get their benefits from the place they worked. This bill provides additional funds to augment

and supplement the reserve fund of the State of Michigan should it prove inadequate.

Mr. WRIGHT. It does not give them, even in Michigan, that additional 6 weeks, though.

Mr. DEWEY. That, of course, is a matter of argument between ourselves, but they do get \$20 for 20 weeks.

Mr. WRIGHT. That is a fairly liberal provision as the various unemployment-compensation bills go, but it is not uniform throughout the country.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. KNUTSON. Mr. Chairman, one would almost think that this was a gathering of the Congress of Industrial Organizations. I yield 2 minutes to the gentleman from Michigan [Mr. DONDERO] to utterly refute the arguments advanced by the preceding speaker.

Mr. DONDERO. Mr. Chairman, I had not intended to speak on this bill. It must be obvious, however, to the country, and I think it is apparent to the Congress of the United States, that in the preparation of this bill the Committee on Ways and Means was conscious of the fact that there is a limit to the credit of the United States, and that one of the things that must be done if this Nation is to remain solvent is to preserve in this country a sound economic system. If that is lost, all that we seek to accomplish by this bill will be lost with it. In my opinion, the Committee on Ways and Means of the House is to be commended for bringing in a bill which, while it may not be liberal enough to please everybody, is sound, workable, and reasonable. I shall support the committee bill.

In answer to the gentleman from Pennsylvania [Mr. WRIGHT] who just preceded me, it is illuminating to observe the amount of money the Keystone State has in its unemployment-compensation fund. I find that in Pennsylvania as of May 25 of this year 2,625,000 people were employed with an unemployment-compensation fund on hand of \$517,000,000, or enough money to take care of those covered by unemployment insurance to the extent of 77 percent. Certainly if the war should end, it seems highly improbable that more than 77 percent of those who are employed in that State would be unemployed then, to exhaust this fund.

I have just wired my State capital to find out what that fund is in my own State of Michigan, to which reference has been made. I find that as of May 25 of this year in my State there were 1,571,000 workers covered by the unemployment insurance fund, and the fund amounted to \$233,000,000, from which those covered by the insurance might receive \$20 a week for a maximum of 20 weeks, or 39 percent of all of the workers of that State covered by this fund. Michigan State Treasurer has replied to my telegram that the unemployment insurance fund is now \$246,000,000—an increase of eighteen million in 3 months. Certainly it seems to me that the bill makes ample provision for unemployment and loans to the States in case their

fund should be exhausted. The programs of the States are not disturbed. State control of unemployment and State funds to meet the problem remains with the States, and will be administered by the States. No good reason has been advanced for changing the status quo.

There is not a State in the United States whose financial condition at the present time is not better than the Federal Government. The national debt today is approximately \$210,000,000,000. The total debt of the 48 States, deducting sinking fund requirements and surpluses, is approximately \$2,000,000,000. The Federal Government has no money that it does not first take away from the people in the States. The people must again assume local responsibility and obligations and cease looking to the Federal Government to meet all demands. A trend has grown up in this land to look to Washington for everything. All moneys received by the Federal Government are taken out of the pockets of the people first. Some people seem to believe that through some magic process or sleight of hand performance money can be taken from the people of the States, brought to Washington, administration expenses deducted and then sent back to the States with increased benefits. This is a delusion and a philosophy that can only lead to financial ruin. This has been the method used to build up Federal bureaucracy.

Mr. DOUGHTON. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, the bill before us as reported out by the Committee on Ways and Means is entitled and will be entitled "The War Mobilization and Reconversion Act of 1944." I think it is generally admitted throughout the country and in the Halls of Congress, and even throughout the world, that insofar as war mobilization is concerned this country is already well mobilized. It is about as well mobilized as it is possible to get it and yet keep some semblance of our peacetime economy and some order to our wartime economy. So that then we get down to the proposition that the main reason for the passage of a measure at this time is to take care of the post-war period, that is, the reconversion period, the period of post-war readjustment to normal activities in the business world and in the working world.

I do not believe there is anybody in this country who will deny that that will indeed be a very difficult period. It will be a period of strenuous readjustment, not only for business and finance but for the workingmen and for the housewives, and for every activity that we have been carrying on, since we were attacked at Pearl Harbor, at least.

No businessman or no workingman, no rich man or no poor man, no man whether he be learned or unlearned, or whether he be high or low will deny that we will face a critical period the minute hostilities cease. If anybody will deny that, I should like to know on what basis he will say that we can transfer from the period of war mobilization in which

we now are to a period of normal activity without great strain on our economic life and without a tremendous effort at readjustment.

So, Mr. Chairman, that makes me believe that there is upon the Congress a duty to do whatever it possibly can to tide us over that period of readjustment. We are faced with a real problem. Is this Congress going to face that problem? Is it going to meet that challenge? Nobody will deny, as I said before, that something must be done. Is it the part of statesmanship, I ask you, to close our eyes to what we are going to face? Is it up to us to say, "When that period comes we will try to make some plans immediately and we will try to take care of the situation no matter how serious it is?" In other words, Should we as the Congress of the United States sit here and do nothing, practically nothing, or should we wait until the catastrophe is upon us?

We are charged with the responsibility here of tackling this problem. We should tackle it with some courage and with a little bit of vision, and with an eye to trying to find a practical and a workable solution.

I do not believe anybody will deny that when the shooting stops there will be a great deal of unemployment. In any large industrial city in this country or in any small town, or even out on the prairies where the munitions factories have been erected, immediately when the shooting stops there will be thousands upon thousands to whom it will be said, "You need not report to work tomorrow." What does that mean? It means that immediately the purchasing power of the great mass of the American people is cut off. They receive no more wages. What does that in turn mean? It means in turn that the businessman will have no person to whom to sell his goods, because the workingman will have no money. It will hurt business, it will bring a loss of confidence to all the business of the country, whether it be big business or small business, whether it be the corner groceryman or the United States Steel Corporation. The financial structure of this country will be strained to its utmost in order that we do not have economic collapse. It is something to which we must look forward. What incentive will business have when it finds that all of the workingmen, who supply the very lifeblood of American industry, have no more income? What incentive will private enterprise have and what incentive will any person have who has some funds laid by for investment to take a chance and invest in some business when he knows there will be mass unemployment?

If we fail now, Mr. Chairman, I want you to think of the cycle that will be commenced immediately at the cessation of hostilities. We can look for something much, much worse than what would face us if we pass a really constructive act today or before the shooting stops. We all know that local communities who were not equal to the occasion when the depression came several years ago were helpless; they had no funds. They may have a little bit of funds now, but when this national emergency arises, the funds

that they have certainly will not take care of the unemployment for any length of time by public works or anything else. I imagine it is going to be a great surprise to many of the municipalities and the States to know that this Congress will not even go along with the proposition of putting up 2 percent—2 percent, mind you—of the construction costs for public works. Will we refuse to do that? Mr. Chairman, if we refuse right now to grant 2 percent to help prepare plans, many of these municipalities will be shocked. Shall we take such a parsimonious attitude? Many of them have been looking forward to coming down here to the Federal Government to help them out in this post-war period. I say if we do not do something now and help them to make some plans so they can spend what little money they have, we will be faced with something much, much greater. This Capitol will be flooded by calls from many, many communities and many, many groups, beseeching us for all kinds of funds, so that we are going to be faced with something that will be appalling in the way of requests. The way to avoid those demands, demands which, I submit, will be so necessary and so compelling in their arguments that we will be unable to avoid them. It may well become an avalanche that will engulf us and threaten the stability of our financial system. Pass legislation now and avoid such a prospect. Mr. Chairman, we will look back at the period when we were discussing this bill and talking about the public debt; I say the public debt will rise many, many more millions of dollars if we have another depression. The way we are going at this bill, parsimoniously—"How much are we going to spend?" and all that, is going to react against us later on. Mr. Chairman, other Members have spoken on the floor of this House and detailed the many different ways in which the very life of this very conservative bill which came to us was crushed out by amendments. They have told you of the relatively unimportant results that this reported bill would bring. I do not want to go into details so far as all of those things are concerned, but I think this is a period when we should exercise a little bit of judgment, when we should tackle the subject boldly so that we will not face something many, many times more serious in the near future. Mr. Chairman, this is an important measure. It should be an important measure.

It is important enough, I think, that we should have the advice of the best brains of the country. We should have had the advice of business. We should have had the advice of finance. We should have had the advice of the workmen, and we should have had the advice of those who have made a study of economic conditions. But what do we have? We have the benefit of very, very little, Mr. Chairman, I submit. We have had the benefit of some suggestions of that great man, former Supreme Court Justice Byrnes, who has been the Economic Coordinator for some time and who has made a study of what is going to face us later on. The recommendations of this very estimable statesman were

rejected almost in their entirety. Then we had a recommendation or two from General Hines, Administrator of Veterans' Affairs, which came to us in the form of a letter, and his recommendations were rejected, Mr. Chairman. Then we had some recommendations from Mr. Folsom, the director, the director, if you please, of the Special Committee on Economic Policy and Planning of the House, who has been recognized as one of the foremost and most brilliant and soundest men in the country, a vice chairman of the board of directors of Eastman Kodak Co., a man who everybody admits is sound. His recommendations to the committee were rejected. Then it is said that this committee has brought out a wonderful bill. Other letters came to the committee, and they were given scarcely any consideration. Mr. Chairman, we are falling down. This is nothing but a failure. I saw in the news dispatches yesterday that Chester Bowles recommends as one point of an 11-point plan that we should liberalize unemployment payments; that we should broaden the coverage. Is Mr. Bowles a high professor or some starry-eyed idealist? The committee rejects that idea. A distinguished Member of the other body yesterday in a statement, and I cannot mention his name, said that Federal employees are entitled to compensation just as much as private employees. I submit to you that nobody can successfully contradict that statement. Mr. Chairman, if we do not meet this issue, we can be considered as failures. Mr. Chairman, I hope the Members will read this committee report. I sincerely hope they read it. The report of the majority is a most unusual one.

Mr. Chairman, if you start reading on page 10 of the report, the previous pages being taken up largely with a reprint of the bill, there you will find the headings "Senate provisions omitted." "Omissions of provisions relating to retraining and reemployment," "Omission of provisions for unemployment compensation to Federal employees," "Omission of provisions relating to the advisory board." "Omission of provisions relating to an appeal board." Mr. Chairman, I have never in my experience in this House seen a report that was mainly dedicated, to my way of thinking, to an apology of why things were not done. The entire report seems to me to take a defensive attitude. The bill as reported will not meet the situation. Mr. Chairman, we still have an opportunity. Amendments will be offered. We still have an opportunity to save something from the wreckage. If we do not adopt some constructive amendments the Congress will be charged with a failure to meet its responsibilities, and failure to do its task. They say, "Oh, the Federal Government cannot afford it." If we cannot afford a little bit now, if we cannot make some wise, liberal provisions to sort of help along, just help along the States and the political subdivisions and municipalities, then I say we are throwing our hands up and opening ourselves up to something much, much worse. The few affirmative provisions in this bill were weakened so that they are nothing but milk and water

now. Even the authority of the Coordinator or the Director to issue directives was taken out of the bill. Imagine that. The Director has no authority under the bill to issue directives. They also struck from the bill the provision which would require the agencies which he is supposed to coordinate to follow whatever instructions he gives. Oh, yes, they were very, very careful to strike out all the authority of this supposed-to-be Coordinator. Mr. Chairman, I hope that the committee and the House will really give some serious consideration to amendments that will be offered tomorrow; amendments with respect to the amount of unemployment compensation, amendments with respect to the travel pay, amendments with respect to length of time that unemployment compensation should be paid, amendments with respect to the public-works program, and several other amendments which will really make the bill something that we need not be ashamed of. I hope that when the time comes tomorrow and the next day that a sufficient number of Members will give support to what we believe to be very, very mild amendments, so that something may be accomplished.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield gladly to my colleague from Pennsylvania.

Mr. WRIGHT. When the gentleman was cataloging the nature of the various amendments that are going to be offered, I feel certain it was only through oversight he did not mention amendments as to unemployment compensation for Federal employees and as to maritime workers.

Mr. EBERHARTER. I did not attempt to cover every amendment that will be offered, but I will say that the amendment which will be offered covering Federal employees is one that I do not think the House in justice and in its wisdom could, by any manner of thinking, reject.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(Mr. DONDERO asked and was given permission to revise and extend his remarks.)

Mr. KNUTSON. Mr. Chairman, I yield myself one-half minute.

If the gentlemen who are showing so much concern over the passage of legislation pertaining to unemployment, would give as much thought to employment, there will not be any necessity for unemployment legislation.

Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I thought this might be a good time to discuss an amendment which I will propose if there is any chance of it being in order or being germane to the bill.

The bill that we are discussing has to do with demobilization of our resources, of our plants, and of our manpower after the war has been won. I was wondering whether we could carry it so far as to cover demobilization of certain servicemen who are now in our armed forces. I would like to offer this amendment to the bill, if it is germane, which would

provide for the demobilization of servicemen who are married, and who are 35 years of age and over; that they be demobilized from our armed forces on the termination of war with Germany. Those married men, 35 years and over, are the forgotten men in this war. Many of them volunteered. Others, of course, were drafted. Married men with families, men in business of their own, many of whom have been financially ruined. Many of those men were making upward of three, four, and five thousand dollars a year, and had been working in their trades and business for 5, 10 or 15 years. All of a sudden the war comes and the Government reaches out its long arm and takes them away from their families, their children, and their livelihood. The business that they had built up over these long years was virtually wrecked and ruined. It seems to me we ought to give them some kind of priority, some kind of preference in being released or demobilized from the armed forces.

From the beginning I have fought, as a former serviceman, the taking of these older men into our armed forces. General Marshall has repeatedly said that the hospitals are filled with men 35 to 45 years of age, who cannot keep up with the pace and exactions of war; who cannot march 20 miles a day with a pack. Broken down, they have gone into the hospitals and filled the hospitals to overflowing.

So it seems to me a matter of common sense, of fairness, and of military advantage for the Congress to pass legislation to give preference to demobilizing married men 35 years of age and upward. That is the proposal I want to make to Congress, to take care of these forgotten men. They are forgotten. Many of them have been in the armed forces for 2 or 3 years, and once in the service they become forgotten men. They cannot do anything themselves to get out of the Army, Navy, or Marine Corps. They cannot do anything, even though they are not rendering any essential service in the Army or Navy to get back to their families and provide for their families. I am speaking as a matter of simple justice.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the distinguished gentleman from Kentucky, the chairman of the Committee on Military Affairs.

Mr. MAY. Does the gentleman propose in his suggestion, that this demobilization begin now, or does he propose to leave it to the judgment of the military commanders as to when they can let the men go, or is it the plan to let it be done after the war is over?

Mr. FISH. My amendment, of course, is subject to change. I will be very glad to discuss the matter with the chairman of the Military Affairs Committee later on. The amendment reads this way:

Providing, That servicemen, 35 years of age or over who are married, shall be immediately demobilized from our armed forces, provided they voluntarily submit an application for release to their commanding officer within 30

days of the termination of the war with Germany.

If that is not satisfactory to the chairman of the Committee on Military Affairs, or those who have expert knowledge on matters of this kind, of course, I would be glad to amend it.

Mr. MAY. Would not the gentleman save the question if we provided that the commanding general should approve the discharge?

Mr. FISH. I will be very glad to consider that as an amendment, because all I am interested in doing is to get action and to help these older men get released from active service who I think are the forgotten men, and whose families have gone through tragic times and suffered many privations and hardships. They should be given the earliest possible opportunity to save their jobs and preserve their own business.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KNUTSON. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, if there is any activity of government more than any other to which I have tried to devote myself since I have been a Member of Congress it is the subject of unemployment compensation. I want to address myself to that subject a little bit this afternoon because I think it is quite evident there is a great deal of misconception in the minds of many Members of Congress as to this subject.

The United States Government is the greatest employer in the land. It tried to set an example to private employers in the States when, by the passage of the Social Security Act, it forced the employers of eight or more persons into an unemployment-compensation system by imposing an excise tax of 3 percent on their pay rolls. By the passage of that Social Security Act the United States Government, the greatest employer of them all, compelled employers in your State and in mine to set up, through their State legislatures, systems of unemployment compensation and compelled them to pay a tax of 3 percent on their pay roll. I am happy to say that the State of Wisconsin had the vision of unemployment compensation long before the United States Government caught that vision. Yet this greatest of all employers has made no provision whatsoever to provide unemployment compensation for its own employees.

To my mind that is indeed a paradoxical situation. There is not a State in the Union that is permitted to pay Federal employees unemployment compensation. Up to date the Congress has not seen fit legislatively to include Federal employees within any program of unemployment compensation.

Mr. Chairman, I have tried to give some thoughtful consideration to this bill and to this problem. Just one of two things is going to happen when this war is over: Either we are going to have unemployment from one end of this country to the other as predicted by the gentleman from Pennsylvania [Mr. EBERHARTER], or we are going to adjust our

economy in this country so as to cushion the shock of reconversion and make unemployment as negligible as possible. Both political parties and the leadership of both political parties are telling the people of America and the soldiers overseas that we are going to provide them with jobs when this war is over. If we do provide them with jobs then the problem of unemployment compensation will not assume its importance. If we do not provide jobs, then certainly there will be unemployment, and we should prepare for it in a sensible way now. According to the chairman of the Civil Service Committee, who predicted an exodus of 2,000,000 employees from the civil-service rolls of this Nation, the greatest unemployment will be found among employees of Uncle Sam who have no possibility of reconverting. Just bear that in mind. I want to call your attention to the fact that in the political convention lately held in the city of Chicago, the party of which I am a member in one of the fundamental planks in its platform said to the American people: "We pledge our support of the following: First. Extension of the existing old-age insurance and unemployment-insurance systems to all employees not already covered." I agree with that plank in the platform. I agree with that promise in that platform. As far as I am concerned, I intend to see that it is carried out at the first available opportunity. Your present existing social-security law, the Federal law, applies only to employers of eight or more. Think of the tragedy in the post-war period of thousands of employees—hundreds of thousands, if you please—working for small employers throughout the country who are not now covered by unemployment compensation. They will not be touched by this bill in any event; but here is this great mass of Government employees all over the country, a couple of million of them, going to lose their jobs and no provision is made for them. I think the plank in our platform and the promises of the New Deal Party contemplate that this great mass of employees shall be given the benefit of the provisions of the social-security law, and I can conceive of no reason under the sun why they are not given that benefit when this law is written.

Every Member of this House knows that ever since I have been a Member of this body I have been a protagonist for the State systems of unemployment compensation. I have never missed an opportunity to see to it that the States' right to manage unemployment compensation in the matter of benefits, in the matter of duration of benefits, in the matter of disability, and everything else, was preserved as a function of the State. In the amendment which I shall offer which embodies almost exactly, with two or three exceptions, the language contained in the George bill, we propose to bring within this law Government employees who constitute the biggest single noncovered group in this entire country.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. KNUTSON. Has the gentleman given any consideration to the difficulties that will be encountered administratively? Federal employees are scattered all over the world, some are employed on a per diem basis, others on some other basis; some are entitled to retirement pay and some are not.

Mr. KEEFE. Yes; we have given consideration to that and gone into it at great length, I may say to the gentleman from Minnesota.

Mr. KNUTSON. What conclusion did the gentleman reach?

Mr. KEEFE. The gentleman reached the conclusion that there were no administrative difficulties whatsoever under the proposal as the amendment will read and as I shall explain it if time is available when the amendment is submitted. The amendment provides simply that as far as Federal employees are concerned—it makes little difference whether they are on a per diem basis, on a monthly basis, on an hourly basis, or any other basis—the amount of compensation the Federal employee receives can be ascertained and determined, and his unemployment compensation will be paid upon application by him to the unemployment compensation organization in the State or Territory where he renders service. The amount of the payments and the duration of payments will be determined by the law of the State where he performed his service. For example, a person from my State goes to work in a Federal shipyard in Alabama. Had he remained on his job at Allis-Chalmers in Milwaukee and he was cut back and put out of employment, he would have been entitled to unemployment compensation in accordance with the law of Wisconsin, which is a maximum of \$20 a week, with a maximum payment of 20 weeks. Now then, working in this shipyard in Alabama, working in a Government plant, when he is out of a job he gets no unemployment compensation whatsoever. Under the amendment as contained in the language of the George bill, and the language of the amendment I shall offer, his claim for compensation will be against the State of Alabama, in which his service was rendered. He will be paid by Alabama authorities in accordance with the provisions of Alabama law, and the Federal Government will reimburse Alabama for the amount so paid.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. May I have some more time? I should like to explore this very important question.

Mr. KNUTSON. We can well afford to give the gentleman all the time he needs.

Mr. KEEFE. I thank the gentleman from Minnesota. I yield to the gentleman from California.

Mr. GEARHART. Let us consider one of the largest groups, the seamen in the employment of the merchant marine. They are sent off on a trip and when they get back they receive a certificate of discharge. Then they remain off the pay roll until they sign for another trip. When they get back they take another certificate of discharge. Are we going to

pay unemployment insurance at the end of every trip for 26 weeks?

Mr. KEEFE. They are working for private employers or the Government?

Mr. GEARHART. They are working for the merchant marine. Ninety percent of all the seamen are working for the Government.

Mr. KEEFE. In answer to the gentleman from California, may I say that the amount and duration of compensation would be figured on the basis of the State law of the State from which he shipped. Take California as an example. The maximum amount he could receive in any 1 year would be \$20 for 24 weeks. The law of California would provide the formula for each seaman based there. I may say, however, that if the men in the merchant marine are working in the Government service, in my humble judgment, they should receive the same treatment that any other employee receives under similar circumstances. If by virtue of the nature of his employment he is compelled to be out of employment for periods of time which are due to no fault of his and for which he is not compensated, I believe such men should be given the benefit of unemployment compensation pursuant to the provisions of the law of the State where he is employed.

Mr. GEARHART. I am in complete sympathy with the objective the gentleman is seeking to obtain, but I want to point out, as in the case of seamen that number hundreds of thousands, each and every individual classification has got to be carefully studied and it cannot be done in the few weeks we had to devote to the preparation of this bill.

Mr. KEEFE. You are going to have a conference, are you not?

Mr. GEARHART. Yes.

Mr. KEEFE. It is expected there will be a conference between the House and Senate on this proposition.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. KEEFE. Mr. Chairman, it may well be that there will be a few things that it may be necessary to give consideration to in this conference. I want to say now that as to the great mass of employees throughout the country who are in the Federal service, I cannot see one sound reason or argument why they should not be paid unemployment compensation in accordance with the laws of the State in which their service is rendered. I can see no sound argument why the Federal Government should not assume the responsibility for reimbursing the State that is compelled to pay that unemployment compensation, thus protecting the trust funds that have been created as a result of the imposition of the 3-percent excise tax.

Mr. KNUTSON. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Would the gentleman inform the Committee as to the probable cost of the operation of his amendment?

Mr. KEEFE. I cannot inform the gentleman as to the probable cost of this

amendment, nor can anyone else. The cost of this amendment will depend upon the extent to which unemployment grips this country and the number of Federal employees that are released. They have lived through one period of gross unemployment in this country and have recorded what the Government did to relieve it. Here is an opportunity to lay the groundwork of precaution and set up means for taking care of it now so that we will not be bothered in the future with the hit-or-miss programs of W. P. A., and so forth, that may come up. Who can tell how much unemployment there is going to be?

Mr. KNUTSON. Will the gentleman yield further?

Mr. KEEFE. Does the gentleman know how much unemployment there is going to be?

Mr. KNUTSON. That is the trouble. The best estimate we can get is \$100,000,000 a week.

Mr. KEEFE. You have that estimate, no doubt, from figuring the maximum unemployment, considering everybody is going to be unemployed. If everybody is going to be unemployed, God help America. And what are you going to do about it? What program are you going to adopt? What are you going to do to take care of them if that situation prevails?

Mr. KNUTSON. I did not get those figures in a seance composed of long-haired economists whose sole aim in life is to bankrupt this Government and bring on communism.

Mr. KEEFE. Mr. Chairman, I do not know what the innuendoes are as contained in the last statement of the gentleman, but so far as my personal record in this Congress is concerned, I do not believe that I have the reputation of being a long-haired, visionary crackpot. I am inclined to believe, however, that the person who furnished my friend with the figures as to cost just quoted, must have been not only crackpot but visionary and unreliable as well. One does not have to be an economist to reach that conclusion. Assume there are 3,000,000 Federal employees. Assume they all lost their jobs and all drew unemployment. Let us see what the cost would be. Under existing State laws the average maximum compensation is less than \$20 per week. The average duration of payment in any one year is less than 20 weeks. Take \$20 weekly compensation for 3,000,000 Federal workers and it would only amount to \$60,000,000 per week. For 20 weeks in any one year it would be \$1,200,000,000, a far cry from the figures quoted by my friend from Minnesota. Let us be practical. Does anyone believe that more than 2,000,000 workers will lose their jobs. If this occurs and none of them can find employment the cost could not exceed \$40,000,000 a week for 20 weeks. If unemployment ever reaches such tragic proportions, God help America. Regardless of the accusations that may be said on one side or the other, I want my personal position to be clear. I intend to carry out at the first opportunity possible the pledge that was made by my party when it wrote its platform at Chicago. I intend so far as I can possibly

influence a single Member in this House, to see to it that here and now we lay the foundation as well as we may to take care of a problem which may occur and which may not occur. If we do not have unemployment, then all this talk means nothing; if we do have unemployment, then I want to be prepared to take care of it.

Mr. DEWEY. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Illinois.

Mr. DEWEY. We all know the gentleman's reputation. He is on one of the great committees which appropriates the funds with which all these things are done. We know of his conscientious work on that committee; therefore when I offer any criticism I do so only in a thoughtful way and in order to try to stimulate a little over-all thinking on this subject.

Mr. KEEFE. The gentleman intends to cushion his criticism with a little adulation to start with?

Mr. DEWEY. No.

Mr. KEEFE. I am ready to accept it.

Mr. DEWEY. The gentleman himself drew attention to his own standing and position in the House and I applaud that position.

Mr. KNUTSON. Which is very good, or has been up to now.

Mr. DEWEY. Without taking up any more time with regard to that matter and to speak of unemployment, which we are all against and for which a \$6,000,000,000 fund has been set up by the States, taken by a tax on the creation of wealth.

Mr. KEEFE. Does the gentleman want to ask a question?

Mr. DEWEY. I do. I am going to ask a question.

Mr. KEEFE. Will the gentleman give me more time?

Mr. KNUTSON. Certainly. The gentleman from Illinois has to lay a foundation for his question.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. DEWEY. We have a reserve of \$6,000,000,000 taken by a tax out of the creation of wealth and not out of the workingman or out of the Federal Treasury.

Mr. KEEFE. May I answer the gentleman right on that question.

Mr. DEWEY. Please, let me finish.

Mr. KEEFE. The gentleman may take all the time he wants.

Mr. DEWEY. I am not going to make a speech. I am trying to ask further about unemployment. All the State directors of unemployment believe that is adequate, including war workers under the same rules that the gentleman applies in his amendment—namely, the State rules. Now, we come to other classifications, including that of seamen and civilian seamen, who as I understand it, are not covered, and we come to the civil servants of the Government.

Mr. KEEFE. What is the gentleman's question?

Mr. DEWEY. Does the gentleman not think it would be advisable to take sufficient time on this subject and not, as was the case in committee, write a fuzzy law about these civil servants, but really take time and write a law covering them in? I would be glad to take part in such effort.

Mr. KEEFE. I assume the gentleman would like to see them included?

Mr. DEWEY. I would be glad to see the workers in war plants included.

Mr. KEEFE. All right. Insofar as I am personally concerned, may I say to the gentleman that we have gone into that question very carefully and I do not think there is any fuzziness to the thinking. There are people who have devoted years and years of study to this problem and, personally, I have had the benefit of their suggestions and advice. I have consulted with the Interstate Conference of Unemployment Compensation Directors of this Nation and I know what their attitude is. I know they believe we will be making a mistake if we do not adopt the amendment I am going to propose, and a lot of you Members will hear from them in respect to this situation tomorrow because they have been in conference for a very considerable period of time going over all of the questions the gentleman raises.

Mr. DEWEY. One more question, if the gentleman will yield. Could the gentleman get the approval of the directors of civil service to cover his amendment?

Mr. KEEFE. I have not tried to get the approval of the directors of civil service; no.

Mr. DEWEY. I misused the word.

Mr. KEEFE. I do not have to ask their approval or disapproval.

Mr. DEWEY. I know, but as to the administration possibilities of it.

Mr. KEEFE. There will be little difficulty with the administrative possibilities if you include all Government employees. That is what this amendment proposes to do. The gentleman looks at me with disgust and discouragement when I make that statement. May I ask the gentleman this question? Down here in the Navy Department there is a little girl that came from a small town in my district who is working as a stenographer. She came here in response to the demands of her Government to fulfill a patriotic duty. But she is earning barely enough upon which to exist and pay her train fare back home. Some have to get help from home to maintain themselves here in the city of Washington today. Right next to her is a group of WAVES, working in exactly the same capacity. When this cut-back comes and the WAVES are let out and my little girl is let out, the WAVES will have the benefit of unemployment compensation under the G. I. bill, and the girl from my district will have nothing. Does the gentleman approve of that? Does the gentleman believe that is fair? Can he see any justice in that situation?

Down in Rock Island, Ill., a matter I happen to know something about, there are a great many employees working in the arsenal. They left plants in my own

city in response to the request of the Government for urgent help and went down there to work during the war for Uncle Sam. Right across the street, or nearly so, is the great John Deere plant, a private industry. The rates of pay in the two are substantially the same. The worker who went from my home town to work in the arsenal, who left a position where he was in covered employment, patriotically, to help Uncle Sam, is out of a job at the arsenal. He does not have unemployment compensation. But the worker over in the John Deere plant, a plant making substantially the same things, 100 percent war work, is receiving unemployment compensation. If you can see any justification in that, I would like to have it explained. I cannot believe that it is fair or just to have a situation of that character prevail in our post-war economy.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. GEARHART. The person who was working in private industry was submitting himself to a pay-roll deduction in the nature of a tax which, when collected by the Government, became of the nature of a premium on this policy of protection.

Mr. KEEFE. The gentleman is absolutely wrong there, because the person who was working in private industry has no pay-roll deduction whatsoever to pay unemployment compensation. That tax is paid by the employer. It is an excise tax levied against the employer, and the employer charges it up to his cost of doing business.

Mr. GEARHART. That is exactly the point I am making.

Mr. KEEFE. The consumer pays that, if anybody does.

Mr. GEARHART. The tax is on the pay roll of the person.

Mr. KEEFE. But the employee does not have anything to do with that.

Mr. GEARHART. It directly affects the salary or wages that the person gets. That person has made a sacrifice for his protection. As to the other person that the gentleman brings in now, nothing has been set aside; no pay-roll deduction has been made and no tax has been levied. Are you going to give it to him as a grant? Is there not a distinction there? Let us explore that proposition a little more fully. Suppose Federal employees had been included in the original social-security law. Who would have paid the tax upon the pay roll of such employees? The answer is clear: It would have been paid by the employer—the Federal Government. Where would the Government have raised the money? Again the answer is clear: Out of the Federal Treasury. If Federal employees are included in this program now, the cost will be perhaps less to the Treasury than it would have been had the Federal Government been paying a 3-percent excise tax on pay rolls during the time the law has been in force.

Mr. KEEFE. As I understand, the gentleman contends that because the Federal law imposes an excise tax of

3 percent upon the employer, based upon the amount of his pay roll—

Mr. GEARHART. Two and seventenths.

Mr. KEEFE. It is a maximum of 3 percent. The State law may offset it 2.7 or 90 percent of the tax. But in any event, so far as the Federal law is concerned, it is a flat 3 percent subject to such offsets as provided for under State law.

I understand the gentleman's statement to mean that because there has been paid by the employer into an unemployment-compensation trust fund 3 percent of the gross pay roll of those employees subject to the tax, that that makes a differentiation as between the employee in the private plant and the employee in the Government plant whose employer has made no contribution to the trust fund, or any trust fund. I will say to the gentleman that I want to be perfectly fair about it. There is that difference just as has been stated, but I cannot feel the force of the gentleman's argument. It is clear in any event that the money that would be used to pay the unemployment compensation for Federal employees would have to be raised by taxes upon all the people.

Mr. GEARHART. All the people?

Mr. KEEFE. All the people. Likewise, the amount of the 3 percent deduction or contribution made by the employer in the form of an excise tax upon him is paid by all the people who purchase the consumer goods and the services of his company. To me there is very little distinction between the two. I expect to go into this matter in some detail when the amendment is offered, and I am simply trying to give notice of the position which will be assumed at that time. In conclusion may I call attention to the fact that the proposed amendment is limited in operation to 2 years. It is purely emergency planning to take care of a situation that may or may not arise. The amendment is as follows:

Amendment to S. 2051 (Rept. No. 1798):

Page 37, line 3, after "XII", insert "and XIII."

Bottom page 39 (or top of 40). Insert new section 303, reading as follows:

"UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES"

SEC. 303 (a). The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII. UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES"

"SEC. 1301. (a) Any person who shall have rendered service as a civilian in the employ of the United States Government, after September 16, 1940, shall be entitled, in accordance with the applicable provisions of the unemployment compensation law of the State against which claim for compensation is filed, to receive compensation for each week of unemployment commencing after September 30, 1944, in the same amounts, on the same terms, and subject to the same conditions, as though the unemployment compensation laws of the several States did not exclude services performed in the employ of the United States Government. Any claim for compensation under this section shall be filed against a State in which a part of the service in the employ of the United States Government was performed. As used in this section, the term 'United

States Government' includes any wholly owned instrumentality of the United States.

"(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians in the employ of the United States Government, on the basis provided in subsection (a).

"(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(d) In the event that any State does not agree to make such payments to such persons, the Civil Service Commission is hereby authorized and directed to make such payments.

"(e) All departments, agencies, and instrumentalities of the United States are directed to make available and furnish to the appropriate State agency such information with reference to compensation of persons in the employ of the United States Government as may be necessary to determine the benefits payable under this title.

"(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

"(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

"(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the fiscal service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification.

"Sec. 305. The grants made by the Social Security Board under title III of the Social Security Act to each State agency entering into an agreement under this title shall be sufficient to cover the amounts necessary for the State agency's proper and efficient administration of such agreement under this title, and no segregation of such grants or expenditures shall be required."

(NOTE.—The foregoing section 303 is intended to be identical with section 403 of

S. 2051 as passed by the Senate, with the exception of the underlined language. Section 305 is new.)

Mr. KNUTSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I do not feel that the remarks made by the gentleman from Wisconsin should go unanswered. The gentleman's amendment would add \$5,000,000,000 to the operating expenses of the Government in the next fiscal year. That money would have to be raised by direct and increased taxation. How are we going to reestablish normalcy in this country? By restoring confidence and full employment. We cannot restore confidence while the Congress is literally shoveling money out with scoops. Reckless spending will prevent expansion, creating new outlets for labor and in other ways hamstringing and discourage expansion. Of course, from a purely sentimental standpoint my heart goes out to the proposition that the gentleman from Wisconsin is interested in, and my heart bleeds for the little war worker that he mentioned. I cannot believe that this House will on tomorrow give serious consideration to a question with which the Committee on Ways and Means wrestled for hours, a question to which we found so many angles and ramifications that we determined to lay it aside and make it a subject for special study at a later time, when there will be more time available to the committee. May I ask the gentleman from Tennessee if that is not correct?

Mr. COOPER. I think the gentleman states the situation in that respect correctly. I am rather reluctant to take any part in this very friendly controversy between gentlemen on that side of the aisle. The distinguished gentleman from Minnesota is a member of the same great party to which the gentleman from Wisconsin belongs. I am wondering if the gentleman from Minnesota agrees with the interpretation of his party platform as given by the gentleman from Wisconsin. I am wondering whether or not the gentleman from Wisconsin correctly interprets that statement in his party platform, or whether or not that refers to an extension of coverage under Social Security to groups not now covered. Is not that the gentleman's idea about that part of the platform?

Mr. KNUTSON. The gentleman from Wisconsin being a lawyer can read any interpretation into the Republican Platform that he wishes to. I, being a mere newspaperman, must take it literally. I do not have enough imagination developed by legal study to read other meanings into it.

Mr. COOPER. Certainly the gentleman's amendment as he has suggested it here is not to accomplish that purpose, because that would mean the extension of coverage under Social Security to all the groups not now covered. It would not mean singling out one group for whom no tax has been paid and providing benefits for them out of the Federal Treasury.

Mr. KNUTSON. If we would follow the argument of the gentleman from Wisconsin, we would turn the social security system into an economic Mother

Hubbard that would cover everything but give protection to nothing.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Miss SUMNER of Illinois. If you include people who have not paid their premiums on their unemployment compensation insurance, that is in effect a gratuity or a dole from the Treasury, is it not?

Mr. KNUTSON. Not being a lawyer, I do not feel qualified to answer that question.

Miss SUMNER of Illinois. I am quite sure that it is. Further, as between a dole and W. P. A., where men work for what they get, is not W. P. A. preferable?

Mr. KNUTSON. It is the lesser of two evils.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I am very grateful for that illuminating speech made by the gentleman from Wisconsin. He will have considerable support on our side of the aisle if he offers any amendment aiding Federal employees.

There has been considerable improvident talk and conversation about the national debt, the amount of that debt, our ability to pay it. The amount of our national assets have an appreciable bearing upon the import of the bill that we pass and assuredly must be considered concomitantly with the amount of our national debt. Our gross national debt today is \$210,000,000,000. I repeat, that is the gross debt. It does not take into consideration the various assets the Government now possesses.

If you go into a bank and want to borrow some money you have to give a financial statement. On one side you present your liabilities and on the other side you present your assets, with a breakdown of your assets as between fixed assets and liquid assets. Let us have a financial statement as far as the Government is concerned. I get my figures in part from the daily statement of the United States Treasury as of August 26, 1944, and each Member of Congress gets such a statement daily.

What are the assets the Government owns today? In the first place, there is a working balance comprised of cash in banks of \$17,600,000,000. Secondly, the Government possesses a great deal of gold and silver. We have a gross value of gold—at cost—stored at Fort Knox of twenty-billion-odd dollars. Outstanding against that gold are various gold certificates, Federal Reserve notes. We have a gross value of silver—at cost—of \$1,906,000,000, against which are outstanding silver certificates. By the calculations appearing in this daily statement of the United States Treasury, we have a net value of gold and silver of \$729,651,000. That is a most valuable offsetting asset.

Thirdly, the assets of Government corporations and credit agencies which can be realized upon—and they are not merely interagency bookkeeping entries—are \$30,000,000,000.

Fourthly, the Office of War Information states that we have surplus plants and surplus property conservatively valued at \$75,000,000,000.

What is the sum total of those four categories of assets? They run up to \$123,329,651,000. Subtract those assets from the gross debt as of the present date and you have a net debt of \$96,670,349,000.

So I brand as rather loose talk all these observations that our debt is \$300,000,000,000, \$250,000,000,000, or \$200,000,000,000. We have a net debt as of today of less than \$100,000,000,000.

Over and beyond that there are many, many other assets belonging to the Government. I cannot calculate them. Let me give you a few. There are Government lands, Government buildings, huge forest reserves, minerals belonging to the Government, and the petroleum reserves. I said I do not know what the value of them is. If I were possessed of them I would go to the bank and the bank would put a value on them. I do not know what the value is. They are of untold value. They may not be disregarded in figuring our net national debt.

Over and beyond that, under the internal revenue laws there is a reservoir of \$28,000,000,000 that may or may not be due to corporations, depending upon their excess-profit taxes. They have a right to draw down from that reservoir certain amounts depending upon a comparison of their excess-profits taxes for the current year with the base period. It is estimated that not even half of that will be drawn upon, leaving probably \$14,000,000,000 more in the Treasury. Let us say it is only \$10,000,000,000 more in the Treasury. You see how we cut down that gross indebtedness that we hear so much exaggeration about?

Over and beyond that still, in the Social Security Board there is over \$5,000,000,000 of surplus in the unemployment compensation fund. I am told that at present rates it will go up to \$7,000,000,000 before the war is over.

I do not state all this to encourage what the gentleman from Minnesota [Mr. KNUTSON] says is the "gimme's" or to encourage improvident spending or the setting up of new W. P. A.'s or any new boondoggling.

I feel we are financially strong enough to meet a decent unemployment-compensation program as embodied in the Dingell bill. What would the cost thereof be? I do not know, nobody knows what the cost will be. Nobody can now estimate the possible amount of unemployment. Some estimate that the cost will be, under the Dingell provisions and rates, \$10,000,000,000. I doubt that. Examine the reports of the Brookings Institution and you will find that directly after every war there is a great lush period of prosperity. The demand for civilian goods after every war is terrific. This tremendous demand for civilian goods after the war will give us real prosperity, possibly for 2 years. There may be little unemployment. I doubt, therefore, that there will be any such cost for the unemployment compensation as \$10,000,000,000. But we have the cushion there already—to wit, the five billion already noted as unemployment compensation surplus. It may run up to \$7,000,000,000. At the present moment it is over \$5,000,000,000, that is, the moneys now actually in the unemployment compensation fund, or supposedly in that

fund. In any event that money is due the workers.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. KNUTSON. I notice on yesterday the gentleman listed in his remarks, which appear on page 7463 of the RECORD for August 29, several large funds that are earmarked for a specific purpose as assets to offset the national debt. Of course, it is very encouraging. If we apply that in private life we can take money which we have set aside to pay for our insurance, and we could use it to buy a new suit of clothes without in any way upsetting the budget. It is an interesting and a new phase. The gentleman spoke only for a short time, but in that short time he very materially reduced the national debt. It was with deep regret to me that the gentleman did not continue for another 5 minutes so that he could have wiped the thing out completely.

Mr. CELLER. I would have been happy to do so if I could. I am giving facts, irrefutable facts. They may not suit the gentleman. That is just too bad.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Miss SUMNER of Illinois. As I understood the gentleman, he subtracted the gold value from the national debt and used it in payment, and then dissipated it. I think the gentleman ought to explain to the people, in that case your money would not be worth anything and you would be in a worse shape than if you had a \$500,000,000,000 debt.

Mr. CELLER. Unfortunately, I do not follow the gentle lady. I was very careful to set aside a gross value of gold against which there are outstanding gold certificates. The same with silver. The net of gold and silver is \$729,000,000, despite the fact that we have a gross value of gold far in excess of \$20,000,000,000. I was very careful to state that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. CARLSON of Kansas. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. CARLSON of Kansas. I am very happy the gentleman brings this up. I notice in his remarks of yesterday, and he made the same remark today, that we have \$5,000,000,000 in the old-age unemployment compensation fund and it will probably be \$7,000,000,000 at the end of the year.

Mr. CELLER. That is, if the war is over.

Mr. CARLSON of Kansas. As a matter of fact, if he will look it up, he will find we have about \$13,000,000 in the Treasury. The rest of it is in bonds. So when the States start paying unemployment compensation and asking for reimbursement, we have to go out and sell \$5,000,000,000 worth of bonds to give it out to the States.

Mr. CELLER. I think the Treasury must be criticized for its action for putting the dipper in the well and using that money for general purposes. It had no right to do that. It was not our inten-

tion that the Treasury should do that. Those compensation and social-security funds should have been used to reduce our indebtedness—to pay off preexisting bonds. But the Treasury used the money and issued new bonds. But I did not subtract those funds from the gross national indebtedness. I said the money is supposed to be there and should be used for unemployment compensation purposes. It belongs to the workers as insurance against unemployment. I have nothing but condign criticism for the Treasury in using these unemployment compensation funds for the general expenses of government without appropriate segregation. They are only a trustee of those funds. They have the stewardship of those funds and the Treasury has failed in its trust in that regard.

Mr. CARLSON of Kansas. If the gentleman's statement were taken literally the States would assume money is lying here in Washington, when, as a matter of fact, there is no money practically in this fund.

Mr. CELLER. I did not say that. I did not subtract that from the national gross debt.

Mr. CARLSON of Kansas. I think that statement should be corrected.

Mr. CELLER. I did not subtract that from the national gross debt. The gentleman's observations are correct, otherwise—

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield to me for a question?

Mr. CELLER. I have not even finished my statement. I have only a few minutes remaining, but I will yield to the gentleman.

Mr. CRAWFORD. I am very anxious to know what the \$28,000,000,000 State trust fund is and where that is reflected in any Government figure.

Mr. CELLER. The gentleman will find, if he will consult with the Treasury, that there is a fund of about \$28,000,000,000 upon which the corporations may draw in the event their excess profits for a certain base period is less than 8 percent.

Mr. CRAWFORD. Now, the point I wish to make with reference to this, and I think it is a fair question, is as follows—

Mr. CELLER. May I first state to the gentleman that I said the corporations would not draw down that whole amount, because the Treasury Department is very, very careful and very cautious and very guarded. Getting money back from the Treasury is like pulling teeth.

Mr. CRAWFORD. But can the gentleman cite any record on earth where the Treasury has set up any special fund or reserve of \$28,000,000,000 with which to facilitate losses that may be incurred by corporations, thereby digging into the \$28,000,000,000 referred to?

Mr. CELLER. The money is supposed to be in the form of a trust fund set aside. If the Treasury has not set it aside, they are again derelict, but as far as I know they have set it aside.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. DEWEY. I have in my hand a statement of the President of the United States as of August 1, 1944, a review of the 1945 Budget. I am only going to put in two figures here. "The total war program: Obligations for the fiscal year 1941 to 1944, \$294,000,000,000." Those are obligations. Those are not authorizations, but obligations which the Government has made to various companies.

Mr. CELLER. Does the gentleman doubt that the present national debt is \$210,000,000,000? I do not know what the gentleman is reading from, but I will be glad to examine it later.

Mr. DEWEY. If the gentleman will listen to my question, I have to at least give him a figure. The obligations are \$294,000,000,000. The expenditures are \$199,000,000,000, making a total of \$95,000,000,000 which we have to find to take care of the war obligations during this fiscal year. If the gentleman does not think that is going to increase the public debt, he can go to the Treasury and find out they are making plans for the Sixth War Loan drive now.

Mr. CELLER. I do not get the import of the gentleman's remarks. The public debt is limited by statute. I say we are running a deficit of about \$4,000,000,000 each month and our taxes are only \$45,000,000,000 a year. Our deficit will be at least \$48,000,000,000 a year, therefore.

We cannot adequately appraise the initiative, energy, and inventive and administrative genius of 135,000,000 people, but I say it is sufficient to support a Dingell bill proposal. That is my answer to the "poor mouths" and the crabbers who moan and bewail what they call our staggering, astronomical debt, which, they say, will deprive our children's children of their heritage.

The ability to pay our national debt depends upon what the United States is worth. What is the United States worth? Of course, the amount is incalculable.

Harold L. Ickes in the American magazine of August 1943 in answer to What Is America Worth? states:

Roughly, about \$12,000,000,000,000 in physical assets, with a little odd change amounting to \$23,000,000,000 left over for tips and other miscellaneous items of expense.

This would be the size of our national bank roll if we could bring all of our coal, mineral, and oil reserves to the earth's surface and sell them before they had been processed or refined, and if we had a buyer also for our farms, forests, fisheries, industries, etc. In other words, \$12,023,000,000,000 is what we ought to get for our country, raw, at a forced sale.

He goes on to state:

While riding out to my farm one evening after work I amused myself by figuring it out that \$12,023,000,000,000 in \$1 bills would make a chain of 1,140,000,000 miles long that could wrap itself around the earth's middle more than 45,000 times. Divided equally among 135,000,000 of us it would give every man, woman, and child in America the tidy sum of \$89,000.

Remember, the ability to clear the national debt also depends upon the size of the national income and the size of the national income depends upon production and demand for goods and that, in

turn, depends upon purchasing power. One of the purposes of unemployment compensation is to provide a bolstering up of purchasing power. As people lose jobs, purchasing power diminishes. To the extent of that decrease unemployment compensation must step in.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, this has been a very interesting and a very high-type discussion. It pays compliment to the men and women assembled here today to deal with this very, very important matter.

As I view our situation and the question now pending and what will really be determined by the direction in which we move in this matter it seems to me that today and tomorrow may be evaluated by the historians of the future as 2 of the most important days in the governmental history of this country. We are at the point now where we are deciding in which direction we are going to try to go. We have been building up a psychology in this country for a long, long time that when any private person, any State or community gets into trouble, when an individual faces a situation that challenges him to use his initiative and all of his resources, and gain capacity by its use, when a small community faces a situation where it has a local problem to deal with and it requires some ingenuity, something that will develop its local citizenship, and fit them for the responsibilities of a democratic government, they come to Washington to get some money. They decline the challenge, they lose their opportunity to increase their fitness to govern.

No people can long maintain a democracy who pursue that policy. A democracy is a group of private people who get together for the purpose of engaging in the common enterprise of governing themselves. They constitute the democracy. It is an interesting fact that when they initiate that democracy, then nature begins to operate on that thing. It ought to be evident, it seems to me it is evident to those of us who face the determination whether we are going to have a democracy in this country or a bureaucracy or centralized government, that a democracy is that sort of government designed by God Almighty for human beings. It is not a self-perpetuating foolproof thing, however. Only God can make a tree, but man can kill it.

This thing we are dealing with today reaches mighty deep. You cannot do a thing, the natural consequences of which will destroy the capacity of the people to govern and maintain a democratic government. They are subject to the laws of cause and effect. If we built up a citizenship in America, where men who just do not have a job today can come to the Federal Government and receive as a gift as high as \$35 per week as provided for in one of the Senate bills, or a lesser amount, that is not developing the self-reliance and self-respect, the general ability, and pride of independence which are the indispensable assets of democratic citizenship. My distinguished friend, who has just

spoken, points out the fact that the next 2 years may be lush years insofar as work is concerned. But instead of us throwing ourselves upon our own responsibility and resources as long as possible and if absolutely necessary at the last minute have the Federal Government come in and do something about it, it is proposed we engineer and encourage millions of people now, before there is any developed necessity, to come up here and get some money out of the Federal Government. Now, you think of that. If my distinguished friend, the gentleman from New York [Mr. Celler] had kept figuring a few minutes more, we would have to advertise for somebody to come up here and get some of our surplus money. We know that the Federal Government has not got any money. Now, we are sensible people, dealing with a practical proposition. We are all in the same boat in this matter. We know that we confront two or three definite dangers. We know that we are not too far from the printing press for money. We know that when this war is over it is not going to be easy to sell bonds. We know there is a limit beyond which money cannot be gotten by taxation. We know that whenever the tax burden upon privately-owned property is greater than its receipts, private ownership will not be attractive. We know that there can be but two sorts of ownership, private ownership and public ownership. Public ownership means communism. We are dealing with practical propositions.

Whenever we create a situation where nobody wants to own and nobody wants to work and manage, then there can be no owner except the Government and no liberty among its people. There can be no democracy, no popular government, where ownership and control is vested in the governmental organizations. We are not dealing with theories. We are dealing with practical situations.

It is admitted in the debate on the floor of this House that the financial situation of the Federal Government is worse than that of the local communities and States. Yet, in face of that situation, we are advocating an advertisement to everybody that, when this thing is over with, you do not have to rustle much. Spend all the money you can make in your job now, and when you get through if you really do not want to stay where you are, just send down here and Uncle Sam will send you a ticket. Just draw on us. We have got plenty of money up here. You do not have to rustle. And if your States cannot do it, then you come up here and borrow the money from Uncle Sam. We have been childish and foolish long enough. We set a precedent today and tomorrow. We are not just passing a bill. We are going somewhere.

It is utterly impossible to maintain a democratic system of government where the Federal organizations control the purse strings of the private person, the municipalities, and the States. That is common sense. What is the use talking about decentralizing governmental power when we put control of the purse strings up here in Federal organizations? That is not progress; that is reactionary. That is turning back on the road of dem-

ocratic progress. We are trustees of the greatest democracy that has been evolved through the processing of the ages. We know it is going to be the most difficult sort of thing to preserve it. It is worth the effort. It is going to challenge the genius of a great people, the statesmanship of a great people to preserve it. We are a great people. We will be a greater people when we shall have met this challenge. It is not going to be easy to pay for these bonds in money of comparable value to the buying power of money now. Every increase of the national debt will add to that difficulty. What will happen to insurance policies, to the people who own these bonds, some of them the men who have been fighting the battles of the world, if the accumulated debts of the country become greater than the capacity to pay? Men giving their lives on the battlefields of the world to preserve democracy and we holding out in advance of demonstrated necessity this line, this opportunity, this invitation to receive gifts from the Federal Treasury and have the amount charged to the generation to which our fighting men belong, and calling ourselves statesmen. A condition might develop under which the Federal Government would have to do something about it. But the very idea now, in advance of a demonstrated necessity, for another chamber to have introduced and seriously considered and sent to this House a bill that would give access to millions of people to the Federal Treasury. Why are they entitled to come to the Federal Government for this money? The Federal Government has not got any money. Those of our generation are not going to pay it. We have spent billions of dollars more than we are going to pay. I am not talking about some theory. I know what it is for people to have to do a little rustling themselves. When I was a boy my father went broke and did a perfect job. The first house we lived in after that we paid \$600 for it, but we paid for it. I worked for \$25 a month. I slept in a lawyer's office, while I read law, but I earned that money myself and I did not lose anything by the effort and by the struggle to get it either. How can you expect people to retain strength in their muscles unless they use them?

How can you expect these millions of people in the United States who must be the citizens of tomorrow and the citizens of today—how can you expect them to be able to guide the destiny of a great republic bottle-fed and rocked to sleep in the arms of a Federal bureaucracy?

Mr. RANKIN. Mr. Chairman, if the gentleman will yield, would not a program of this kind apparently discriminate against the man who works the hardest for the smallest pay of any laborer in America today, the American farmer? He is not covered by this bill at all, is he, by this entire program?

Mr. SUMNERS of Texas. Maybe so, but the point I am trying to make here is that you are discriminating basically against the private individual when you deprive him of the necessity to use his own ingenuity. That is what I am trying to say. I am saying you are discriminating against and destroying the

people upon whom you have got to depend to guide the destiny of this great Republic.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 7 additional minutes.

Mr. SUMNERS of Texas. We are not dealing with this question as Democrats or Republicans; we are deciding today and tomorrow in which direction we move, and upon that decision, in my humble judgment, depends the fate of this democracy. Public opinion is the supreme law of the land, but the voice of this Congress rings throughout the land and helps to develop public opinion. It is a great thing to see men and women forget party allegiance in an hour of their Nation's peril. I do not want to be critical of those who hold different opinions from that which I have expressed. This is the soul of the Nation, there must be liberty of speech. I do not question their motives, but I question the soundness of the conclusions of any man or woman in an hour like this when the Nation stands at the forks of the road where it must choose, where it must move toward independent individual responsibility, community responsibility, responsibility of the States to govern in matters within their governmental capacity. One road leads in that direction and the other road leads toward the Federal Government. And the signboards—do not forget that we are putting up the signboards; let no one make any mistake about that—we are putting up the signboards in this legislation. One leads back to the individual, back to the local community, back to the State, back to the struggle, back to the ability to gain strength and courage and determination; and the other leads to the Federal Government, the Federal Treasury, to Uncle Sam, to dependence, to individual defeatism, to us loss of those strong qualities, characteristic of our people, characteristics which we are destroying, characteristics which are indispensable in a democracy. The people of this country want to preserve this democracy. They are willing to pay the price. One leads toward national bankruptcy, one leads to the depreciation of the dollar, one leads toward the inability of the Federal Government to pay its obligations in money of purchasing power comparable to the present value; the other leads toward strength, toward solvency, toward the hope of the ages; because, as America goes, so goes the world. In our hands we hold the hope of the ages for men and women who aspire to be free—free—I mean free individuals.

We cannot be free if we lose the capacity to govern; we cannot be free if the control of liberty and ability and opportunity to do as we will is lost; we cannot be free if we are dependent upon a great Federal bureaucracy to take care of us; that is all there is to it. Then we become but tools in the hands of men who aspire to be great, great governors of people instead of useful servants of a great people, the only aspiration the public official has any right to have in a democracy. If that time comes when

the Federal Government must do something about it, that would be different. But now, at this deciding time, now we stand at the forks of the road, as I see it, it would be a tragic thing to move toward the Federal Treasury, to lure millions of people toward the Federal Treasury to receive gifts—no; not gifts; the money will be charged to them and to our fighting men. We vote that debt on them while they are gone. What can be the wisdom, what can be the soundness and statesmanship for us—the people still pay some attention to what we say—for us to point the whole Nation toward the Federal Treasury in a bill like this in an hour like this? That is what our responsibility is. We are not going to do it. We are all in the same boat. This is our Treasury; we must preserve its solvency. This is our Government; we must preserve it as a democracy. This is our responsibility in this time of decision. Our decision in which direction we move now, if I read the signs of the times aright, will be one of the most important in the history of our Government.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman, the gentleman from Texas has just given expression to a very profound statement, something that is worthy to be engraved upon the threshold of every home in the Nation, in my judgment a complete complement to the measure proposed by the Ways and Means Committee of the House.

This is not the first time the peoples of the world have lived under a so-called new deal, but in no instance where unchecked have they failed to produce complete wrack and ruin. The proposal brought here by the Ways and Means Committee is a check upon the impulse to go all the way in that direction. Let me give you an example:

Diocletian became Emperor of Rome in A. D. 284. In an unprecedented depression and a great emergency, he sprang a new deal on the Empire in 301. Under him the Roman Senate became politically impotent and the last vestiges of republican institutions disappeared. Diocletian was of opinion that social security could be permanently established and the economy of the Empire forever stabilized by the creation of bureaus and commissions. The genius of the Roman was administrative. Diocletian was vested with absolute authority and he fixed by decree, he thought for all time, in supposedly fair relationship, the intricate processes of society.

The prices of all commodities, wages and other activities of the people were under complete control of the state. Price ceilings were engraved on tablets of stone and set up in the market places. Even to this day fragments of this edict are being unearthed in remote places once embraced in the Roman Empire. In all more than 800 articles were included in the edict: Cereals, wine, oil, meats, vegetables, skins, leather, furs, shoes, timber, clothing, poppy seeds, snails, goat's flesh, underwear, and mantles were given a fixed selling price.

Wages for services rendered from common laborer to dancing teacher and lawyer were determined by directive and a bureaucracy regimented everything from the number of acres a farmer could plant to the maximum hours labor could be employed.

There was rationing, rent controls, and a kind of interstate commerce commission covered transportation down to the "rent for a laden ass, per mile." Unless the transportation of that day carried more than two persons per ass, there was no chance of showing a profit. And the asses that they employed then could not carry more than two passengers.

Rome flourished, its population increased, with the multiplicity of bureaus and commissions and coordinators. There were as many stonecutters in Rome as there are stenographers in Washington. The law of supply and demand was repealed and the economic and social life of the people was so completely regulated that a perfect society flourished. A kind of Plato's New Republic or More's Utopia or our own New Deal was organized in the Eternal City.

What happened to this "noble experiment," this effort to socialize and regiment an empire? History records the answer—Diocletian and his new deal failed to reckon with the significant fact, that neither he nor all his legions could control human nature. Despite the fact that Diocletian punished by death or deportation all violations of his price-fixing agency, the scheme collapsed. Black markets flourished to traffic in meat. Overcharges made by merchants and the money changers who exacted usury were checked, but production also stopped. Absenteeism became common with labor. Merchants closed their marts and went on vacation. Competition disappeared and men neglected to manufacture or to buy and sell or to exchange commodities for services. Farmers ceased to till their land, moved to cities, and society generally became decadent.

Individual freedom was destroyed. The essential fires of enthusiasm were extinguished, and individual and collective initiative perished. Diocletian took the fun out of work. Legislation and regimentation crushed ambition. However good might have been the Emperor's intentions, his attempt to regulate everything that could be controlled to meet a great emergency was disastrous, and ultimately fatal.

Diocletian stated, in part, in the introduction to his edict:

Inasmuch as there is only seen a mad desire, without control, to pay no heed to the needs of the many * * * it seems good to us, as we look into the future, to us who are the fathers of the people, that justice intervene to settle matters impartially, in order that that which, long hoped for, humanity itself could not bring about may be secured for the common government of all the remedies which our care affords.

Writing of Diocletian's new deal more than 1,600 years ago, Lactantius wrote:

He tried to fix by law the price of articles offered for sale. Thereupon for the veriest trifles much blood was shed, and out of fear

nothing was offered for sale, and the scarcity grew much worse, until, after the death of many persons, the law was repealed from mere necessity.

The passing of Diocletian marked the decline of local self-government and the growth of a centralized system. Probably no other Roman emperor proposed so many sweeping reforms. He completely reorganized the government, set up new systems of coinage and taxation, and redivided the provinces. He ruled for 20 years.

The collapse of Diocletian's edict also marks an important turning point in history, for there followed in the wake of his experiments a thousand years of night. From 300 A. D. to almost 1300 A. D. is known in history as the Dark Ages. During that long night, what was once the Roman Empire produced not a single poet, historian, orator, painter, sculptor, architect, or builder. The practical effect of the decree was to stop the flow of goods and suspend the activities of the Empire. There were no banks, no insurance companies, no transportation companies, no mail service, and no newspapers during this long night, society slipped into slavery, men became base and dishonest. The world was dominated by the police power. They took charge of the taxing power and production. Famines were frequent and the status of the human race, in its fight for food, was little better than that of the beasts of the jungle.

The Roman Empire was built before the coming of the Caesars. For 750 years the Roman citizen had enjoyed more freedom than man had ever before experienced. Under the planned economies of the Caesars it took 150 years to accomplish the complete disintegration of the Empire's commerce and expose it as easy prey to the barbarian.

Mr. Chairman, continuing in the direction that we are going, How long will it be before we destroy by regulation, by regimentation, and by edict this Nation of ours?

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. MORRISON].

Mr. MORRISON of North Carolina. Mr. Chairman, if we wish to ever have prosperity and independence among the people of our country, we must cease to appropriate money to be derived from taxation, even for many things we would like to see done, because—great and rich and productive as we are—there is a limit to taxation which we can stand without destroying values, producing commercial and economical demoralization and wretchedness in our country.

I have no criticism whatever to offer of the necessary expenditures we have had to make in the last decade, or such a matter, because I believed then that artificial stimulation of business, with employment to follow, was better than the dole that wrecked nearly every country in Europe.

I have approved every expenditure that was made to carry this war to a triumph and success. What the people are look-

ing forward to when this war is over is a cessation of burdens and, as hurriedly as possible, a reduction in taxation. We may theorize and say, "So and so would be a good thing," but we have reached the point where taxation must stop and must be reduced. Let us think a little bit about taxation. Take the case of corporations, their tax is 40 percent on profits besides an excess-profits tax. When the stockholder gets a part of the profits that are left which are distributed to him immediately the high schedule of our revenue bill applies to his individual and personal income, and it goes up and up until very quickly there is very little left. How is it left? The creator of wealth, small or great in this country, is allowed to keep the part left to him as a mere trustee for life. It is not his. He is told to be very careful what he does with it. He cannot deduct it for this, that or the other. If he spends it in a prescribed channel for himself, all right, but the Government says, "You keep it; you are a mere trustee of it; when you die we are going to take more of it, in most cases, than we allow you to give your beloved ones or to give to great religious or patriotic organizations in which you may be interested." It is not worthwhile to waste time and go back and say, "That is anybody's wastefulness. That is anybody's tyranny."

It has all been made necessary to save this great Republic and make it ready for the great war, and then to carry us through. What do you propose to do? You propose to make billions of dollars of expenditures available to the people engaged in war work in a way you would not have done before the war ensued. When you had social security before the country, was there any serious effort made to include Government employees? I do not remember that there was. Now, with these burdens bearing heavier and heavier upon us, and when those who are creating the wealth look forward to a little relief, you propose to adopt social security retroactively, to wit, let the Government pay while the employees make no contributions whatsoever. That is a very flimsy disguise for simply going into the Treasury and giving those who have worked for the Government during these trying times at splendid wages—and I am glad they had good wages—the amount of money involved. You give it to them. You are not contributing it to a social security fund where it is fixed beforehand, and the employer contributes so much and the employee so much. No. It is going back during a period that the employee contributed nothing and giving him an amount variously estimated at \$5,000,000,000. God knows how much they will get, too, when we say to all of the people of the United States, "Well, if you cannot find anything to do, we will pay you millions in better wages than you ever had in your life anyway." The past is secure, and I think the future historian of my country will commend it all. But now, with all the property of this country practically confiscated, you talk about taxation. I do not criticize it. We had to do it, and I have supported it step by step.

You are now taking more of the citizen's property in most cases, as well as income, than he may enjoy himself, and then you enjoin him to be careful how he spends it, for when he dies the Government will take most of what little they allow him to retain as his part. Yet the gentlemen seem to think if they can draw a picture of an expenditure being a noble and good thing, it is all right to go ahead and make it. If you make it, you must pay it in funds derived from taxing the people. May I say to you, as one who has grown old, as young as I look, that the best thing you can do to give us post-war prosperity is not to adopt any of your programs, except for the soldiers. Many of them will have to be adopted, but none of them will compare good to the country to reducing taxation in the United States and allowing the men and women to whom the incomes belong to keep some of it to make expansions in their business, to give to the church, or to make other contributions for noble and fine things. Property is practically all destroyed. Sometimes I think my friend Huey Long was a mere piker compared to where we are about to go. Huey wanted to divide it all up and leave everybody \$5,000 and start all over again, I believe. But we do not leave anybody anything. We really take most of it and then tell him, "Now, Mr. Trustee, watch your step. If you do not watch out what you do with your money, you will get in jail or pay a gift tax on it, and when you die we will take it." My God, it is a terrible time for old people. It is one of the worst times to die in the history of the world. A man cannot hope to leave his family much, if anything; it does not make any difference what he has, because the Government is going to take what they leave you as trustee, as I have tried to hammer home. There is not much to leave.

In England, Parliament levies the tax. We have taxing bodies in this country so thick you can hardly count them. The State levies heavy taxes, income, privilege, and what not. The county levies taxes. School districts levy taxes. Towns and cities levy taxes. What little will you have left? With what little they leave, my dear old friend, the gentleman from North Carolina [Mr. Doughton], and his committee, and the corresponding committees of the Senate, will wade into, of necessity, confiscating property to bear the burdens already put upon the people.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MORRISON of North Carolina. We propose to make appropriations to do something that, if it should have been done at all, should have been done when we passed the social-security bill. My distinguished colleague from Wisconsin a while ago looked over toward me and said something about the C. I. O. and "their friend Governor Morrison," inferring that I was a member of the C. I. O. I know a great many noble and patriotic people who do belong to the C. I. O., but I do not belong to anything but the Democratic Party and the Presbyterian

Church. There is not a group in my State, in my old age, Mr. Chairman, that will not trust me.

They say, "He is with the farmers sometimes but he is a hard-headed old Scotchman and he is as apt to disagree with us as not, and we had better not trust him." The businessmen say, "It is strange, but by George, he is with the labor people now and then." Then the labor people say, "My golly, it won't do to trust that fellow. When he was Governor he was against us two or three times down there, and he is just as apt to be again."

I know no group or class division except the one that the great northern President, Mr. Lincoln, recognized, the group who are right and the group who are wrong.

I care not what their avocations may be or from what section or party they hail, I tell you that this grand Committee on Ways and Means and this other committee of the gentleman from Alabama, Judge MANASCO, have brought two great bills before this body, representing the people of the United States. I pray to God that a great majority of this House may rally behind both of them and follow the mountaineer statesman, the gentleman from North Carolina, ROBERT L. DOUGHTON, to victory in this matter.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. WASIELEWSKI].

(Mr. WASIELEWSKI and Mr. SUMNERS of Texas asked and were given permission to revise and extend their remarks.)

Mr. WASIELEWSKI. Mr. Chairman, S. 2051 as brought to the House floor by your Committee on Ways and Means is not a perfect measure, but it is a good bill; however, it does not go far enough to meet the problem before us. The speakers before me have explained the details of the bill, so I shall not dwell on that subject since our time is limited.

I hope that before S. 2051 leaves the House two very important sections, which I will discuss in detail, may be adopted. One of these provisions was recommended to the committee by the Colmer committee and the other was contained in the original version of the bill before us when it came to your Committee on Ways and Means.

The gigantic task presented in this legislation is very broad and far reaching. The technical detail, the vastness and complexity of the problems that face the Director require that he obtain the thoughts, assistance, and advice of the best qualified men in the land.

The suggestion made by the Colmer committee with reference to the make-up of an advisory committee appeals to me. It is suggested that the advisory board consist of 12 members, all of whom shall represent the general public and the public interest, but in order that the board may have the benefit of the experience in the matters with which it will deal under this act, three members of the board shall have had experience in business management, three members shall have had experience in matters relating to labor, and three members shall have had experi-

ence in agriculture. The President shall designate one of the remaining three members as chairman of the board.

In the various boards made up of representatives of the three or four principal recognized groups, it appears that invariably the representatives of the individual segments act as one. Oftentimes they appear to take the position that they must stand by their particular group whether it be right or wrong. As a result, we get decisions 3 to 6 or 6 to 3 from boards like the War Labor Board and others. By having all the board members represent the general public and the public interest, this unfortunate cleavage may be avoided and should make for more meritorious action.

When we get to the reading of the bill I hope that the suggestion of the Colmer committee with reference to the creation of an advisory board may be incorporated into S. 2051.

The section of the bill before us that I believe should be restored is the one dealing with unemployment compensation for Federal employees as found on page 20 beginning with line 7 and continuing through pages 21, 22, and 23 to line 15, inclusive.

In normal times Federal employees whether employed in Government agencies, shipyards, or arsenals have civil-service tenure which reasonably assures them of continuous employment. However, even before Pearl Harbor, all new Federal employees have been hired on a temporary basis—for the duration plus 6 months. A Federal employee once he is released at the conclusion of hostilities cannot hope to be reemployed by the Government since the Government will have no need for his services. There is no conversion or reconversion problem but one of going out and finding a new job. To find this new job the Federal employee will have to compete in the labor market with the returning servicemen. His position will be quite different from the average industrial worker who can look forward to a peacetime job as soon as his employer is able to convert to peacetime production. Thus we are faced with the problem of meeting an emergency. We should face it squarely. Unless we make some provision for the Federal employees we should not be surprised if many of them forsake the Government agencies to go into private industry. This definitely would be unfortunate for our war production effort, particularly now that we wish to sprint, since victory is definitely in sight. In peacetime there is no need for unemployment compensation for Federal employees. However, unless we meet the present emergency we may be faced not only with an effort to place them under the Unemployment Compensation Act but with the ultimate federalization of our entire unemployment compensation system.

It appears to me that some people are inclined to take a defeatist attitude with reference to the reconversion period. They seem to lack confidence in our ability to return to peacetime production nearly as rapidly as we converted from peacetime production to war production.

I have every confidence in the ability of our labor and industry to meet the problem with the cooperation of the Government. This cooperation, however, need not take the form of a dole or subsidy. It means the gradual lifting of the wartime restrictions as quickly as will serve the best interest of our people and our economy and make such changes in our tax laws as will encourage persons to become employers of labor and will bring risk capital out of the safety-deposit boxes and other hiding places.

When Pearl Harbor came many of our principal industries were still engaged in peacetime production. Some of them were reluctant about converting to war production for they did not appreciate the seriousness of our predicament and were afraid some competitor might get ahead of them. I do not condone the behavior of these few selfish firms. By and large, industry cooperated wholeheartedly and it was found that our State unemployment-compensation systems more than adequately met the unemployment that arose in the interim. In the conversion back to peacetime production undoubtedly unemployment will be somewhat heavier since we will have the returning service men and women as well as the temporary Federal employees who must be provided work.

We must face the problem realistically. Many thousands, maybe even more than a million persons not normally gainfully employed or in retirement have entered our offices and shops, purely out of patriotic motive in order to relieve the manpower shortage. These persons should be encouraged to return to their former status. This should tend to at least slightly reduce the unemployed labor inventory during the conversion period.

The purpose of the reconversion program is to make peacetime jobs available as quickly as possible. With the broad fields open as a result of our suspension of the manufacture of our ordinary peacetime goods and the inventions and developments that have been made in the course of the war there will be a mad scramble by industry to enjoy every possible advantage of having its product in the market first. With the public savings aside from War bond investments approaching \$140,000,000,000, the businessman knows that the purchasing power is present, that all he needs to do is to produce the goods.

As a result of our training program in connection with war production we have more persons skilled in the operation of industrial equipment than ever in our history. All we need is the jobs, and I am confident that they will be forthcoming faster than some of us expect. The paying out of huge sums out of the Federal Treasury to subsidize larger and longer unemployment benefits under State laws, as proposed by the distinguished gentleman from Michigan, will not contribute anything materially to the reconversion program.

If the two amendments suggested by me dealing with the advisory board and the unemployment compensation for Federal employees are accepted, it is my opinion that it will definitely humanize

this legislation and aid greatly in having it fulfill the job we intend it should.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

SECTION 101. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the "Director"). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of 2 years.

(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion and shall exercise their functions subject to the general supervision of the Director:

(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

(2) Surplus Property Administration, created by the Surplus Property Act of 1944.

Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to other agencies not specifically placed within his office.

(c) In addition to any powers which the President is authorized to and does delegate to the Director for the purpose of more effectively coordinating the mobilization of the Nation for war, the Director shall, subject to the direction of the President—

(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace;

(2) coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace. Nothing contained in this section shall be construed as authorizing any activities to carry out any plans formulated under this section which are not within the scope of the powers possessed by the President or the executive agencies under provisions of law other than this section;

(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

(4) promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between such executive agencies in the development and administration of such plans;

(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of executive agencies which exist under Executive order only, and for the relaxation or removal of emergency war controls;

(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning the problems arising out of the transition from war to peace; and

(8) submit reports to the President, the Senate, and the House of Representatives on

the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available for this purpose by Congress, employ and fix the compensation of such Deputy Directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other executive agencies; and for that purpose he is authorized to delegate and provide for the redelegation of the powers and duties vested in him. The Director may require such reports and information from other executive agencies as he deems necessary to enable him to carry out his functions under this act, and each executive agency shall furnish any information and reports so required.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill S. 2051, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article from the Iowa Legionnaire.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. McCOWEN asked and received permission to extend his remarks in the Appendix of the RECORD.)

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an article from one of the local papers.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include an article about the American merchant navy.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Vermont [Mr. PLUMLEY] may extend his own remarks in the RECORD and include an address made today before the State Republican convention; and also that the gentleman from Michigan [Mr. WOODRUFF] may extend his own remarks in three instances.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to extend my remarks on two different subjects and include therein a newspaper article and some other articles.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

HOURLY MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourns to meet tomorrow at 11 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. COCHRAN] have permission to extend his remarks in the Appendix of the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FORAND. Mr. Speaker, I ask unanimous consent to include as part of my remarks made today a letter.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CHIPERFIELD, indefinitely, on account of illness in his family.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 6 minutes p. m.) under its previous order, the House adjourned until tomorrow, Thursday, August 31, 1944, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1784. A letter from the Acting Administrator, Federal Security Agency, transmitting

a report by the Superintendent of St. Elizabeths Hospital on the receipts and expenditures of that institution for the fiscal year ending June 30, 1944; to the Committee on Expenditures in the Executive Departments.

1785. A letter from the Acting Secretary of the Interior, transmitting one certified copy each of various ordinances enacted by the Public Service Commission of Puerto Rico, granting to the various sugar companies and mills listed, the right to engage in the manufacture and processing of raw sugar; to the Committee on Insular Affairs.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McGEHEE: Committee on Claims. S. 1665. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer; without amendment (Rept. No. 1825). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1827. An act for the relief of Oliver N. Knight; with amendment (Rept. No. 1826). Referred to the Committee of the Whole House.

Mr. MURPHY: Committee on Claims. H. R. 3645. A bill for the relief of Mary Agnes Lichtefeld Droppelman; with amendment (Rept. No. 1827). Referred to the Committee of the Whole House.

Mr. GOODWIN: Committee on Claims. H. R. 4542. A bill for the relief of Harold Miller; without amendment (Rept. No. 1828). Referred to the Committee of the Whole House.

Mr. MURPHY: Committee on Claims. H. R. 4593. A bill for the relief of Thomas R. Clark; with amendment (Rept. No. 1829). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 4674. A bill for the relief of the estate of Everett Maxwell, the estate of Redman P. Maddux, Elmer Massa, and Estel Massa; with amendment (Rept. No. 1830). Referred to the Committee of the Whole House.

Mr. SCRIVNER: Committee on Claims. H. R. 4737. A bill for the relief of W. A. Smoot, Inc.; with amendment (Rept. No. 1831). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 4921. A bill for the relief of Dr. J. Sims Norman; without amendment (Rept. No. 1832). Referred to the Committee of the Whole House.

Mr. GOODWIN: Committee on Claims. H. R. 5048. A bill for the relief of the estate of Cecile H. Burgett, deceased; with amendment (Rept. No. 1833). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HEBERT:

H. R. 5263. A bill to secure prompt payment and adjustment of just claims for loss of or damage to property received by laundries and dry-cleaning and dyeing establishments in the District of Columbia; to the Committee on the District of Columbia.

By Mr. COLE of Missouri:

H. R. 5264. A bill to broaden the coverage of title IV of the Social Security Act to provide for State aid to all needy orphans and

other needy children; to the Committee on Ways and Means.

By Mr. PACE:

H. R. 5265 (by request). A bill to provide for the development of better diets and an improved nutritional status for the people of the United States, and for other purposes; to the Committee on Agriculture.

By Mr. WEISS:

H. R. 5266. A bill to amend the Reconstruction Finance Corporation Act with regard to taxation of real property; to the Committee on Banking and Currency.

By Mr. CURTIS:

H. R. 5267. A bill to permit the assignment to banks, as security for loans, of life-insurance policies issued by the United States; to the Committee on World War Veterans' Legislation.

By Mr. LEA:

H. R. 5268. A bill to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California," approved May 18, 1928; to the Committee on Indian Affairs.

By Mr. CALVIN D. JOHNSON:

H. Res. 629. Resolution protesting the condemnation by the British of Ambassador Phillips; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Chamber of Deputies of Chile, memorializing the President and the Congress of the United States to ratify various resolutions adopted at the session of April 15 last by the commit-

tees of the House of Deputies of Chile and the American parliamentary delegations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CURTIS:

H. R. 5269. A bill for the relief of Mrs. Helen Garwood; to the Committee on Claims.

By Mr. LANDIS:

H. R. 5270. A bill for the relief of John Hames; to the Committee on Claims.

By Mr. LANE:

H. R. 5271. A bill for the relief of John Seferian and Laura Seferian; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5272. A bill for the relief of Mrs. Ellen C. Burnett; to the Committee on Claims.

By Mr. McLEAN:

H. R. 5273. A bill for the relief of Betty Ellen Edwards; to the Committee on Claims.

By Mr. SOMERS of New York:

H. R. 5274. A bill for the relief of Therese R. Cohen; to the Committee on Claims.

By Mr. WHITE:

H. R. 5275. A bill granting a pension to Marion M. Luther; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6047. By Mr. DICKSTEIN: Petition of William R. Cleary, commander, Disabled Amer-

ican Veterans of the World War; to the Committee on World War Veterans' Legislation.

6048. By Mr. HEIDINGER: Petition submitted by Jesse H. Schoemann and signed by 28 music students of Carmi, Ill., asking that Congress enact legislation that will prevent interference with the broadcasting of noncommercial programs when presented by academically accredited, tax-exempt, educational institutions not in competition with professional talent; to the Committee on Interstate and Foreign Commerce.

6049. Also, petition signed by Jesse H. Schoemann and 23 other representative citizens of Carmi, Ill., and surrounding community, requesting Congress to enact legislation that will prevent interference with the broadcasting of noncommercial programs presented by recognized educational institutions in accordance with certain proposals; to the Committee on Interstate and Foreign Commerce.

6050. By the SPEAKER: Petition of the four political parties of Puerto Rico, petitioning consideration of their resolution with reference to legislation granting a greater degree of self-government to Puerto Rico; to the Committee on Insular Affairs.

6051. Also, petition of Mary Strachan, Brooklyn, N. Y., and others, petitioning consideration of their resolution with reference to Federal unemployment insurance for merchant seamen; to the Committee on Ways and Means.

6052. Also, petition of Ross C. Patton, Philadelphia, Pa., petitioning consideration of his resolution with reference to his application for patent on a fire-fighting apparatus to combat air raids; to the Committee on the Judiciary.





OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

78th-2nd, No. 140

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued September 1, 1944, for actions of Thursday, August 31, 1944)

(For staff of the Department only)

CONTENTS

Banking and currency.....15	Meat production.....6	Rationing.....4,6
Food processing.....1	Personnel.....1,10	Research.....12
Foreign trade.....14	Post-war planning.....1	Rubber.....17
Forestry.....12	Price control.....9	Safety.....11
Legislative program.....2	Property management.....13	Selective service.....7
Lend-lease.....8	Public works.....1	Sugar industry.....3
Machinery, farm.....4	Pulaski's Memorial Day..5	Transportation.....16

HOUSE

1. POST-WAR PLANNING. Passed with amendments S. 2051, the demobilization-reconversion bill (pp. 7514-62). Agreed to amendments by Rep. Wasielewski, Wis., 72-26, to establish an advisory board composed of representatives of business, labor, and agriculture; and by Delegate Dimond, Alaska, to include Alaska, Hawaii, and Puerto Rico in the definition of "State" in Title IV, Public Works (p. 7560).

Rejected amendments by Rep. Dingell, Mich., 54-118, a "compromise" in the form of a substitute for the committee amendment (pp. 7514-31); by Rep. Celler, N. Y., to provide that the Director of Demobilization may issue directives to other executive agencies to carry out their work (pp. 7531-2); by Rep. LaFollette, Ind., 20-58, to insert the so-called O'Mahoney amendment providing for a board of appeals in the Office of War Mobilization and Reconversion (pp. 7536-7); by Rep. Eberharter, Pa., 41-89, to provide transportation costs for workers from places of employment to their homes or to any other location of available employment (pp. 7537-40); and by Rep. Dingell, Mich., 41-113, to provide for unemployment-compensation payments of not to exceed \$20 a week for 26 weeks and up to 75 percent of the base pay (pp. 7547-50).

The following were ruled out on points of order: By Rep. Forand, R. I., (point raised by Rep. Taber, N. Y.), to provide for Federal-employee unemployment compensation (pp. 7551-3); by Rep. Outland, Calif., (point raised by Rep. Taber), to provide for unemployment compensation for packing-shed workers engaged in handling, processing, freezing, grading, storing, etc., of any agricultural or horticultural commodity (pp. 7554-5); and by Rep. Keefe, Wis., (point raised by Rep. Taber, N. Y.), to provide for Federal-employee unemployment compensation (pp. 7558-9).

Rep. Lemke, N. Dak., criticized an "economic planning" based on the "destruction of millions of cattle" and on "penalizing the farmer 49 cents a bushel for raising wheat" (p. 7541). Rep. Carlson, Kans., inserted his analysis of unemployment payments by States (pp. 7544-5).

LEGISLATIVE PROGRAM as announced by Majority Leader McCormack, Mass.: "Two bills

will be in conference. If either...are agreed upon and...should be brought up before the House...they will not be acted upon before next Thursday" (p. 7569).

SENATE

3. SUGAR INDUSTRY. Received from the Interior Department copies of Puerto Rican ordinances granting to sugar companies and mills right to manufacture and process raw sugar. To Territories and Insular Affairs Committee. (p. 7503.)
4. FARM MACHINERY. Sen. Langer, N. Dak., inserted a constituents' memorial protesting "against the delaying actions of rationing boards with respect to tires and gasoline" (p. 7504).
5. PULASKI'S MEMORIAL DAY. Passed without amendment H. J. Res. 306, authorizing the President to proclaim Oct. 11, 1944, as General Pulaski's Memorial Day (p. 7505). This measure will now be sent to the President.
6. GASOLINE RATIONING; MEAT PRODUCTION. Sen. Capper, Kans., criticized the shortage of gasoline for farmers in the Corn Belt and stated that this is having serious effect upon meat production (pp. 7506-7).
7. MILITARY TRAINING. Sen. Reynolds, N. C., spoke in favor of military training through the Civilian Conservation Corps^{and} inserted Washington Times-Herald and Washington Daily News editorials (pp. 7508-9).
8. LEND-LEASE. Sen. Langer, N. Dak., criticized "squandering of money" through lend-lease and inserted a Washington Evening Star editorial on the subject (p. 7509).
9. PRICE CONTROL. Sen. Reynolds, N. C., urged reconversion to consumer production as soon as possible and inserted his press release on the subject (pp. 7510-11).

BILLS INTRODUCED

10. PERSONNEL; LEAVE. By Sen. Capper, Kans., S. 2114, to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service. To Civil Service Committee. (p. 7504.)
11. SAFETY. By Sen. Ball, Minn., S. 2120, and Rep. Davis, Tenn., H.R. 5277, to incorporate the National Safety Council. To Judiciary Committees. (pp. 7504, 7569.)
12. FORESTRY; RESEARCH. By Rep. Fulmer, S. C., H. R. 5279, to provide for the establishment and operation of forest products pilot plants. To Agriculture Committee. (p. 7570.)
13. PROPERTY MANAGEMENT. By Rep. Dickstein, N. Y., H. Res. 630, a resolution requesting information from the Reconstruction Finance Corporation regarding distribution of surplus materials and other matters. To Banking and Currency Committee. (p. 7570.)

ITEMS IN APPENDIX.

14. FOREIGN TRADE. Rep. McCormack, Mass., inserted Willard L. Thorp's article, "Toward an International Economic Program" (p. A4117).

cans, including my colleague from Ohio, the Republican Congressman at Large, GEORGE BENDER, publicly called upon the Governor to change his position and pleaded that servicemen should not be denied their franchise because of legal technicalities.

It was only this tremendous pressure of public opinion that forced the Governor finally to retreat and to agree to ask the legislature to waive technicalities in the markings of G. I. ballots.

But the Governor's about face does not alter the situation so far as he is concerned. His first decision was the true reflection of his attitude toward the soldier vote. John W. Bricker, the running mate of the Republican nominee for President, doesn't want the soldiers to vote because he knows the great majority will not vote for him and the Republican nominee for President.

PERMISSION TO ADDRESS THE HOUSE

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks in the RECORD.

POLITICAL PROPAGANDA

Mr. OUTLAND. Mr. Speaker, an Associated Press dispatch from Montpelier, Vt., under date line of August 30, reads as follows:

KELLAND CALLS ATTACK ON PEARL HARBOR FAULT OF ADMINISTRATION

MONTPELIER, Vt., August 30.—Clarence Budington Kelland, author and Republican national committeeman from Arizona, declared today that President Roosevelt "cannot avoid responsibility" for the Pearl Harbor naval disaster, which he said "lengthened the duration of the Japanese war, possibly by years."

In a speech before the Vermont State Republican convention, Mr. Kelland charged administration neglect of "elementary precautions" had subjected "America to the disgrace of the most tragic naval disaster in our history."

"Instead of having no effect upon the course of the Pacific war, Pearl Harbor lengthened it by months, perhaps by years, and the odium must attach to the highest authority which permitted the condition to exist," he added.

This, I think, is striking a new low in political propaganda, and is most certain to be resented by the American people. If it represents a typical example of the kind of attack that will be made against President Roosevelt, I am afraid we face one of the lowest kinds of campaigns. Such a statement as that of Mr. Kelland is not only unwarranted; it is cheap and cowardly and rotten. It reminds me of the statement of a famous Englishman, "If you believe what you are saying you are a fool; if you don't, you are a liar."

PERMISSION TO ADDRESS THE HOUSE

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. JENKINS]?

There was no objection.

JOHN W. BRICKER

Mr. JENKINS. Mr. Speaker, I take the floor at this time to reply to the distinguished gentleman from Ohio [Mr. FEIGHAN] in his tirade against Gov. John W. Bricker. I want the world to know

that Ohio has a model soldiers' voting law. In Ohio the legislature, called into special session by Governor Bricker, dedicated itself to do one thing, and that was to give every soldier everywhere in the world a chance to vote. That legislation brought forth a law that provided to every soldier everywhere the same kind of a ballot as his father and mother would vote. Our law in Ohio also gives that father and mother the right to make application to the election officers for a ballot and thereby initiate proceedings that will take to every soldier speedily a complete ballot which he can vote in privacy and return to the election officials without let or hindrance from any officer or any person.

Originally it was provided in the Ohio law that the ballot must be marked by a black lead pencil. The purpose was to make it uniform. Now, then, the legislature will meet shortly by special call of the Governor and will amend the law to permit soldiers to mark their ballots by pen and ink or by pencil. I resent the accusation that the Governor is guilty of any misconduct of any kind or description, because that is absolutely a misstatement of fact. The soldiers from Ohio are abundantly satisfied with what the Governor and the legislature have done to secure for them the right to vote a complete ballot and not a bobtail ballot such as the New Deal tried to foist on the soldiers.

The SPEAKER. The time of the gentleman has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

POLITICAL PROPAGANDA

Mr. McCORMACK. Mr. Speaker, I am very glad the gentleman from California [Mr. OUTLAND] made the statement he did a few minutes ago. In the press of yesterday the gentleman from Illinois [Mr. DIRKSEN] is reported as having made a statement in Old Orchard, Maine, in a political speech, that the President of the United States used the United States Navy for campaign purposes. That also is a new political low, and it is not consistent with the truth.

We are going into a campaign. Let us hit one another with broadswords where there is justification. None of us are perfect, no party is perfect; but when one undertakes to make that charge against the President of the United States, whoever he is, in wartime, that charge is without foundation and it is untrue. It is a reckless expression and one that should not be indulged in during these days. It is dangerous. So far as I am concerned, that charge is without foundation because the President of the United States was on that trip in line of duty. That is my opinion. He had important conferences out there, and as a result of those conferences he stated in his speech at Bremerton that the military and naval leaders present all agreed on future strategy. This included Mac-

Arthur, Nimitz, Halsey, and all others. That was an important part of his speech that has been overlooked. Any statements to the contrary therefore are a reckless interpretation and it is an insult to the American people.

The SPEAKER. The time of the gentleman has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. MCGREGOR]?

There was no objection.

JOHN W. BRICKER

Mr. MCGREGOR. Mr. Speaker, it is indeed regrettable that my distinguished friend from Cleveland [Mr. FEIGHAN] took the floor a few minutes ago in an attempt to smear and cast unfair reflections upon the Governor of his own State—Gov. John W. Bricker—who has been chosen three consecutive times, by increasing majorities, by the people of the great State of Ohio.

In reply to the accusation of my friend, I say to him, that we Republicans of Congress and Governor Bricker, of Ohio, and the Ohio Legislature have a right to be proud of our endeavors in order that the soldier could vote. What has the New Deal done to help the soldier vote? They, with the help of my distinguished friend from Cleveland, endeavored to force the soldier to vote a Federal bobtail ballot, a ballot which would have denied those wearing the American military uniforms the right to vote for their State and local officials.

I believe the record will show my friend the gentleman from Ohio [Mr. FEIGHAN], voted for this discrepancy. Now, he wants to blame the Governor of Ohio for a law that has been on our statute books for years. A law demanding that black pencils be used in marking the ballots. A law that was on the statute books when my colleague was a leader in the Ohio Legislature. A law that was on our statute books during World War No. 1.

My colleague the gentleman from Ohio [Mr. FEIGHAN] tries to leave the impression that the Governor is calling this special session only after great pressure, and he names the Democratic Party as one who put the pressure on. Did the distinguished gentleman from Cleveland make a suggestion to the Governor to call a special session—a letter, a telegram, or a telephone call? I do not know, but I venture to say he did not.

The Governor has called a special session of our State legislature to pass such laws as may be necessary so that those in military uniforms can mark their ballots with any kind of a pencil or pen or marking instrument. May I add a direct statement made by Governor Bricker prior to his nomination as candidate for Vice President on the Republican ticket?

I want the soldiers from my State to have an opportunity to vote for their State and local officers.

He further stated he planned to call a special session of the legislature to enact any further laws that may be necessary to comply with the statute Congress was in the process of enacting.

The Governor after careful consideration has called the special session, and I sincerely hope that the laws passed will meet with the approval of those individuals who are stooping to a low degree of politics and are endeavoring to smear a really and truly great Governor and public servant.

POLITICAL PROPAGANDA

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, certainly the gentleman from Massachusetts, the distinguished majority leader, does not think that this House is so gullible as to believe that the President's recent trip to Hawaii was nonpolitical. It is significant that en route West he stopped off at the Chicago Democratic Convention to confer with Mr. Hannegan. Pray, what has Mr. Hannegan to do with the conduct of the war? It is also significant that after visiting a shipyard in California the President as Commander in Chief wrote a very fine letter to the manager of that shipyard, and 50,000 copies of the letter were later printed and distributed to the workers, notwithstanding that there is a tremendous shortage of paper. Talk about it not being politics; it was not anything but politics. Had it not been, he would have taken Chiefs of Staff Marshall and King with him, for they are our military leaders who pass on all phases of strategy. Certainly the subordinates cannot plan a military campaign. The letter already alluded to follows:

THE WHITE HOUSE,
Washington, August 17, 1944.

MR. CLAY P. BEDFORD,
General Manager,
Permanent Metals Corporation,
Richmond, Calif.

DEAR MR. BEDFORD: As you know, I have just returned to Washington from a conference with Pacific war leaders. Admiral Chester Nimitz, commander in chief of the Pacific Fleet, and Gen. Douglas MacArthur, commander in chief of the Southwest Pacific forces. Naturally, I cannot divulge any detailed plans discussed relating to the all-out drive against the Japanese. I can say to you, with all sincerity, that the combat loaded transports now being constructed at your Richmond shipyard will play a highly important part in the amphibious campaign of the Pacific.

As Commander in Chief of the Army and Navy, may I personally urge that every man and woman engaged in the construction of these special-type vessels at your shipyard be informed of the importance of delivering them at the earliest possible moment.

The past performance of shipbuilders on the west coast makes me feel confident that every possible effort will be made to meet, if not surpass, the schedules set for you.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

EXTENSION OF REMARKS

Mr. RODGERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include tables and figures supplied by the Committee on Appropriations.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address that I delivered before the Rivers and Harbors Congress at New Orleans recently.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BRYSON. Mr. Speaker, I ask that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

POLITICAL PROPAGANDA

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I would like to call attention to the fact that there are other great statesmen in the world today, notably the Prime Minister of England, Mr. Churchill, who make very frequent trips for consultation with the heads of the various governments.

Mr. Churchill has been spending considerable time lately in Italy and other sections of the world. Everybody will admit that those conferences are of great import to the war effort. If it is necessary for the Prime Minister of England to make those extended trips for conferences, I do not see why we in this country should say it is absolutely wrong for the President of the United States to travel and have important conferences with respect to the conduct of the war. I think the American people will come to the conclusion that it is for the benefit of the war effort that these conferences and these trips were made by the President of the United States.

Mr. LEWIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

[Mr. LEWIS addressed the House. His remarks appear in the Appendix of today's RECORD.]

WAR MOBILIZATION AND RECONVERSION BILL OF 1944

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2051), to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, S. 2051, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the first section of the bill had been read. Are there amendments to be offered?

Mr. DINGELL. Mr. Chairman, I offer an amendment to substitute the bill H. R. 5227 for the pending bill.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Strike out all of the committee substitute and insert the following:

"TITLE I—GENERAL PROVISIONS

"SEC. 101. The Congress hereby declares that the objectives of this act are—

"(a) to facilitate maximum war production during the war and to expedite the transition from war to peace;

"(b) to achieve full employment, rising standards of living, and effective utilization of the Nation's resources during the period of transition from war to peace, and thereafter; and

"(c) to provide for the development of unified plans and projects and adequate machinery to achieve the foregoing objectives.

"Sec. 102. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the 'Director'). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of 2 years.

"(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion:

"(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

"(2) Surplus War Property Administration, created by Executive Order No. 9425, and any surplus war property administration hereafter created by statute.

"(3) Retraining and Reemployment Administration, created by Executive Order No. 9427, and any similar office or administration created in this or any other act.

"Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to other agencies not specifically placed within his office.

"(c) In addition to any powers which the President may delegate to him for the purpose of more effectively coordinating the mobilization of the Nation for war, and for the purpose of more effectively attaining the objectives of this act, the Director shall, subject to the direction of the President—

"(1) formulate or have formulated such plans as are necessary to meet the problems

arising out of the transition from war to peace in such a manner as to achieve the objectives of this act;

"(2) issue such directives on plan, policies, and procedures to other executive agencies as may be necessary to carry out their powers in a manner consistent with the plans formulated under this section and to coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the directives of the Director expeditiously and, to the extent necessary to carry out such directives, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities which are not within the scope of the powers possessed by the President or the executive agencies under existing law or future acts of the Congress;

"(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

"(4) promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between such executive agencies in the development and administration of such plans; evaluate and report on current and projected public and private activities affecting war mobilization and peacetime full production and employment; survey continuously the necessity for additional programs of legislation as will achieve the objectives of this act; promote and assist in the development of war mobilization and post-war adjustment plans and surveys by other Government agencies;

"(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of such agencies as now exist under Executive order only, and for the relaxation or removal of emergency war controls;

"(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

"(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning methods of achieving the objectives of this act; survey continuously all rules, regulations, and orders issued by any Federal Government agency exercising control over manpower, production, or materials, for the purpose of determining whether any such rules, regulations, or orders prevent or hinder the full employment. Whenever the Director determines that any such rule, regulation, or order so prevents or hinders full employment and is not required for the purpose of insuring production for war purposes, he shall direct such Government agency to rescind, modify, or amend such rule, regulation, or order; and

"(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative

proposals as he may deem necessary or desirable.

"(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such deputy directors and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Office. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other Government agencies. The Director may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this act, and each Government agency shall furnish any information and reports so required.

"Sec. 103. There is hereby created an advisory board, the members of which shall be appointed by the President, by and with the advice and consent of the Senate, and which shall include three representatives of industry, three representatives of labor, three representatives of agriculture, and one public representative, who shall be chairman. The representatives of industry, labor, and agriculture shall be selected from panels submitted by the appropriate national organizations.

"It shall be the general function of the board to advise with the Director with respect to war mobilization and reconversion, and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary to achieve the objectives of this act.

"Members of the board shall receive a per diem allowance of \$25 for each day spent in the actual performance of duty, plus necessary traveling and other expenses incurred while so engaged.

"Sec. 104. (a) There is hereby established a Special Joint Committee on Post-war Adjustment—hereinafter referred to as the 'committee'—to be composed of four Members of the Senate—not more than two of whom shall be members of the majority party—to be appointed by the President of the Senate, and four Members of the House of Representatives—not more than two of whom shall be members of the majority party—to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members. The committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The committee may utilize such voluntary and uncompensated services as it deems necessary, and is authorized to utilize the services, information, facilities, and personnel of the departments and agencies of the Government. The expenses of the committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman.

"(b) It shall be the function of the committee—

"(1) to make a full and complete study and investigation with regard to legislation on

demobilization and post-war adjustment in cooperation with such public and private agencies and such persons as it might see fit to consult;

"(2) to consult with the President and the Director on the need for legislation on demobilization and post-war adjustment;

"(3) to consult with the appropriate standing committees in the Senate and in the House of Representatives on the preparation of demobilization and post-war adjustment legislation, and on methods of obtaining expeditious action on demobilization and post-war adjustment legislation by achieving coordination among, and avoiding duplication of effort between, such committees; and

"(4) to study and review each report submitted to the Congress by the Director, and otherwise maintain continuous surveillance of the operations of the Director and other executive agencies under this act.

"TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

"Sec. 201. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the continuation of some or all of the work under any such contract will benefit the Government or is necessary to avoid substantial injury to a plant or property.

"Sec. 202. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

"(a) the contracting agencies shall continuously survey their product and material requirements and report to the Chairman of the War Production Board, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

"(b) the Government agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

"(c) the Chairman of the War Production Board shall—

"(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

"(2) establish policies providing for full consultation between the Government agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

"Sec. 203. (a) Whenever the expansion, resumption, or initiation of production for

nonwar use is authorized by any Government agency having control over production, or materials, on a restricted basis, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

"(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of \$8,000 per year, and shall serve for a term of 2 years. When any person is aggrieved by the action of any Government agency having control over production or materials, on a restricted basis, in allocating available materials for the production of any item or group of items for nonwar use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity forthwith to present his views thereon at a hearing before the Board of Appeals. If, at such hearing, such person establishes to the satisfaction of the Board of Appeals that as a result of such action his business operations will be seriously interfered with or substantially curtailed because of a shortage of any material necessary to such operations, that his inability to continue business operations will result in a serious unemployment problem for his employees, or that the interests of the consumers of the articles produced or manufactured by such person will be substantially impaired, the Board of Appeals shall make an immediate report thereon to the Director. Thereupon the Director shall allocate to such person such amounts of the material with respect to which the shortage exists as in his judgment will be necessary to prevent substantial hardship to such person, his employees, or consumers.

"Sec. 204. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

"TITLE III—RETRAINING AND REEMPLOYMENT

"Sec. 301. The Congress hereby declares that the objectives of this title are—

"(a) To facilitate the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war;

"(b) To maintain maximum employment in the transition from war- to peace-time production;

"(c) To provide for the coordination of the demobilization of servicemen with employment opportunities under a policy of demobilizing servicemen as rapidly as the military situation permits;

"(d) To provide necessary training of ex-servicemen and war workers; and

"(e) To provide the necessary economic assistance to returning ex-servicemen and war workers in connection with transfer, training, and reemployment.

"Sec. 302. There is hereby created a Retraining and Reemployment Administration to be headed by an Administrator who shall be appointed for a term of 2 years by the President, by and with the advice and consent of the Senate, and who shall receive a compensation of \$12,000 per annum. It shall be the function of the Administrator of the Retraining and Reemployment Administra-

tion (hereinafter referred to as the Administrator), subject to the discretion and control of the Director, to establish a unified reemployment program covering recruitment, training, transfer, and placement of returning servicemen and workers in war and civilian production. The reemployment program shall include provision for compiling full detail on declining and increasing employment opportunities (by industrial segments, geographic areas, and plants) resulting from curtailment in war production and resumption of civilian production; for placement of workers in appropriate employment; and for interim financing of workers, including returning servicemen, pending placement in accordance with the authority of this title. The Administrator shall prescribe regulations and issue directives to Government agencies necessary to effectuate the objectives of this title and all such Government agencies shall be governed by these.

"Sec. 303. The Administrator shall consult and advise with a Committee on Retraining and Reemployment, consisting of one representative from each of the following: Department of Labor, Veterans' Administration, War Manpower Commission, Federal Security Agency, War Production Board, Selective Service System, Civil Service Commission, War Department, Navy Department, President's Committee on Fair Employment Practice, and such other Government agencies as the Administrator may designate.

"Sec. 304. (a) The War Production Board and other agencies having data on production changes and employment opportunities shall furnish the Administrator full information on current and projected schedules of military and civilian production in such detail as the Administrator shall deem necessary.

"(b) The War and Navy Departments shall furnish data on current and projected rates of discharge of servicemen providing such details concerning the servicemen as the Administrator may deem necessary and is practicable for the War and Navy Departments to furnish. It shall be the duty of the War and Navy Departments to anticipate so far as practicable, the forward programs of demobilization of servicemen, and to cooperate with the Administrator in furnishing such data on such demobilization as military security permits.

"(c) The War and Navy Departments shall discharge from the armed forces of the United States the men and women serving therein during the present war as rapidly as the appropriate department determines that the services of such persons are no longer needed for the prosecution of the war or for the national defense, and shall not retain such persons in the armed forces merely for the purpose of preventing unemployment or awaiting opportunities for employment.

"Sec. 305. To the fullest extent practicable the Administrator shall perform the duties imposed upon him through the facilities and personnel of other Government agencies and through appropriate State agencies. The Administrator may require such reports and information from other Government agencies as he deems necessary to enable him to carry out his functions under this title, and each Government agency shall furnish any information and reports so required.

"Sec. 306. (a) In order to facilitate the recruitment, training, transfer, and placement of workers and ex-servicemen, the United States Employment Service and such other Government agencies as may be designated by the Administrator are hereby authorized, upon application therefor, to pay the cost of transportation of workers and ex-servicemen, including transportation of dependents and household effects, from their last previous residence to new jobs, or to the location of their bona fide residence within the continental United States prior to their migration to war jobs, or to both, in accord-

ance with such regulations as may be prescribed by the Administrator: *Provided*, That such allowances shall not exceed the allowances provided for Government employees, except that the fare of dependents may be paid.

"(b) The United States Employment Service shall be continued as a nationally operated system of public employment offices for a period of 2 years after the termination of hostilities.

"Sec. 307. (a) The Administrator shall have general supervision and direction of the activities of all Government agencies relating to the training and retraining of persons released from war work, including all work directly affected by the cessation of hostilities or the reduction of the war program and to issue necessary regulations in connection therewith.

"(b) In consultation with the Government agencies concerned, the Administrator shall develop plans and programs relating to such training and retraining.

"Sec. 308. Nothing in this title shall be deemed in any extent to affect, amend, or modify the powers now vested in the Veterans' Administration or the Administrator of Veterans' Affairs.

"TITLE IV—INTERIM PLACEMENT BENEFITS

"Sec. 401. (a) Every unemployed qualified employee (as defined in sec. 402) shall be entitled, upon registration in accordance with regulations to be prescribed by the Administrator, at a public employment office, to assistance in securing suitable employment.

"(b) "Interim placement benefits" shall be paid to any qualified employee (as defined in sec. 402) with respect to each week of unemployment or part week of unemployment which begins (1) after the first Sunday of the fourth calendar month which begins after the date of enactment of this act and (2) before the last day of the twenty-fourth calendar month which begins after the termination of hostilities. For a qualified employee the "interim placement benefit" payable for a week of unemployment in any benefit year shall be 75 percent of "weekly wages": *Provided, however*, That these amounts shall be rounded upward to the nearest dollar, but shall not in any event be less than \$8 nor exceed \$20 for an individual who has no dependents, or \$25 who has one or more dependents: *Provided further*, That in any 2 consecutive benefit years, benefits to any qualified employee shall not exceed 52 times the last weekly amount of interim placement benefit of such employee in such 2 years.

"(c) There shall not be considered as a day of unemployment, with respect to any employee—

"(i) any day on which he fails to maintain, in accordance with regulations prescribed by the Administrator, a registration at a public employment office;

"(ii) any Sunday unless (A) it is the last day of a week or part week of unemployment and is preceded by a day of unemployment or (B) it is preceded and followed by a day of unemployment; or

"(iii) any day in any period with respect to which he is receiving or has received (A) an annuity or pension under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937; (B) insurance benefits under title II of the Social Security Act; (C) retirement or disability annuity, compensation, or allowances under any system maintained by the Federal or a State or local government or by any wholly owned instrumentality of such a government (except pensions, compensation, or retired pay paid by the Veterans' Administration and benefits under any Federal or State workmen's compensation law); (D) a vocational education or training allowance under the law of any State or the United States; or (E) unemployment benefits under an unemployment com-

pensation law of any State or the United States, except an "interim placement benefit" payable under this act: *Provided*, That if any such payment is less in amount than the "interim placement benefits" under this act which, but for this paragraph, would be payable with respect to such period, the preceding provisions of this paragraph shall not apply but such "interim placement benefits" shall be diminished in the amount of such other payments.

"(d) There shall not be considered as a day of unemployment, with respect to any employee, any day in a period of not more than 5 weeks, beginning with a day with respect to which the agency administering benefits finds that—

"(i) he failed, without good cause, to accept suitable work available on such day and offered to him, or to comply with instructions from a public employment office to apply for such work or to report, in person, or by mail as directed, to such office;

"(ii) he was properly discharged or suspended for misconduct related to his employment;

"(iii) he left work voluntarily, without good cause;

"(iv) subject to the provisions of subsection (e) of this section, his unemployment was due to a stoppage of work because of a labor dispute, other than a lock-out, in the establishment, premises, or enterprise at which he was last employed;

"(v) he knowingly made, or aided in making, or caused to be made any false or fraudulent statement or claim for the purpose of causing benefits to be paid.

The length of the periods of disqualification, within the limit of 5 weeks specified above, with respect to the findings herein set forth shall be fixed by regulations prescribed by the Administrator.

"(e) The disqualification provided in section 401 (d) (iv) of this act shall not apply if the agency administering benefits finds that—

"(i) the employee is not directly interested in the labor dispute which causes the stoppage of work; and

"(ii) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed in the establishment, premises, or enterprise at which the stoppage occurs, any of whom are directly interested in the labor dispute: *Provided*, That if separate types of work are commonly conducted in separate departments of a single enterprise, each such department shall, for the purposes of this subsection, be deemed to be a separate establishment, enterprise, or other premises.

"(f) No work shall be deemed suitable for the purposes of this section, and benefits shall not be denied under this act to any otherwise qualified employee for leaving work voluntarily or for refusing to accept work if—

"(1) the position offered is vacant due directly to a strike, lock-out, or other labor dispute;

"(2) the remuneration, hours, or other conditions of work offered are substantially less favorable than those prevailing for similar work in the locality, or the rate of remuneration is less than the union wage rate, if any, for similar work in the locality;

"(3) as a condition of being employed he would be required to join a company union or to resign from or refrain from joining any bona fide labor organization;

"(4) acceptance of the work would require him to engage in activities in violation of law or which, by reason of their being in violation of reasonable requirements of the constitution, bylaws, or similar regulations of a bona fide labor organization of which he is a member, would subject him to expulsion from such labor organization; or

"(5) acceptance of the work would subject him to loss of substantial seniority rights under any collective-bargaining agreement between a bona fide labor organization and any other employer.

"(g) In determining whether work is suitable or whether an employee has good cause for a voluntary separation from work or a failure to apply for or accept an offer of work, the agency administering benefits shall consider, in addition to such other factors as it deems relevant, (1) the current practice, recognized by management and labor with respect to such work; (2) the degree of risk involved to such employee's health, safety, and morals; (3) his physical fitness and prior training; (4) his experience and prior earnings; (5) his length of unemployment and prospects for securing work in his customary occupation; and (6) the distance of the available work from his residence and from his most recent work.

"(h) No otherwise qualified employee shall be denied interim placement benefits because of a refusal to make application for or accept transportation authorized by section 306 of this act.

"(i) Any person who shall knowingly make or aid in making or cause to be made any false or fraudulent statement or claim for the purpose of causing benefits or other payment to be made or not to be made under this title, shall be punished by a fine of not more than \$10,000 or by imprisonment not exceeding 1 year, or both.

"SEC. 402. (a) A person shall be a "qualified employee" if the agency administering benefits finds that with respect to the calendar year next preceding the beginning of the benefit year there was payable to him wages of not less than \$150.

"(b) Within 10 days after the appointment of an Administrator pursuant to this act, such Administrator shall afford to each State an opportunity to participate in the administration of the "interim placement benefits" provided by this title. Any State agency shall be permitted by the Administrator to participate in the administration of interim placement benefits upon agreement by it to do so in accordance with the provisions of this section. Such participation shall be terminated by the Administrator (subject to the provisions of subsection (h) of this section) only if the Social Security Board finds, after a request for an investigation by the Administrator and after reasonable notice and opportunity for hearing to the State agency, that there is a failure to comply substantially with the terms of such agreement. Such finding shall be communicated to the State agency at the same time the Administrator is notified.

"Such participation shall include, pursuant to agreement with the Administrator, (A) receiving claims for interim placement benefits; (B) adjudicating such claims, or forwarding such claims to another State or Government agency, as may be appropriate; (C) paying, or certifying to the Secretary of the Treasury for payment, claims for interim placement benefits found payable in accordance with regulations of the Administrator; and (D) providing that the funds in the State's account in the Unemployment Trust Fund shall be used for the payment of such benefits or for the reimbursement of the United States, to the extent (hereafter referred to as the "State contribution") that interim placement benefits paid during any period are not in excess of the compensation (determined as if this act had not been enacted) which would have been payable during such period under the unemployment compensation law of the State (as it existed on July 1, 1944). The agreement may provide for payment of interim placement benefits, either through a Government agency or through the State, from funds appropriated pursuant to section 602, and for reimburse-

ment of such appropriation, to the extent of the State contribution, by the State; or may provide for payment of such benefits by the State from a special account established by the State, into which the State agrees to pay the State contribution and the Administrator agrees to pay, from funds appropriated pursuant to section 602, such further sums as may be needed; or may provide for payment of such benefits by the State from its account in the Unemployment Trust Fund and for reimbursement of such account by the Administrator, from funds appropriated pursuant to section 602, to the extent that the total benefits so paid exceed the State contribution. The agreement may provide for determination of the State contribution for any period by such statistical, sampling, or other method as may be agreed upon by the State and the Administrator; and shall provide that the filing, receipt, adjudication, forwarding payment, and certification of claims shall be in accordance with such regulations as the Administrator may prescribe.

"(c) (1) The Railroad Retirement Board and the Unemployment Compensation Board of the District of Columbia shall participate in the administration of "interim placement benefits." Such Boards, in accordance with regulations prescribed by the Administrator, shall receive applications for "interim placement benefits," shall adjudicate such applications or forward such applications to a State or Territorial unemployment compensation agency or to a Government agency, as may be appropriate, and shall certify to the Secretary of the Treasury for payment, from the Railroad Unemployment Insurance Account or the District of Columbia Account, as the case may be, in the Unemployment Trust Fund, any claim or part thereof found payable in accordance with regulations prescribed by the Administrator.

"(2) The Railroad Retirement Board and the Unemployment Compensation Board of the District of Columbia shall determine, in consultation with the Administrator, what amounts would have been payable under the Railroad Unemployment Insurance Act and the District of Columbia Unemployment Compensation Act, as the case may be, if claims for "interim placement benefits" had been claims for benefits under such acts and had this act not been enacted. In either case, such amounts may be determined by such statistical, sampling or other method as may be jointly agreed upon by the Administrator and such Board. The Administrator shall from time to time certify to the Secretary of the Treasury, for payment into the Railroad Unemployment Insurance Account, or the Account of the District of Columbia, as the case may be, in the Unemployment Trust Fund the amounts by which the payments of "interim placement benefits" made on certifications of the Railroad Retirement Board or of the Unemployment Compensation Board of the District of Columbia, in the preceding calendar quarter exceeded the payments which would have been made from the Railroad Unemployment Insurance Account or the Account of the District of Columbia, as the case may be, in the Unemployment Trust Fund had claims for "interim placement benefits" been claims for benefits under the Railroad Unemployment Insurance Act or the District of Columbia Unemployment Compensation Act, as the case may be, and had this act not been enacted.

"(d) The Administrator may arrange for the administration, by any Government agency, of "interim placement benefits," to whatever extent he deems necessary, after utilizing the services of State agencies and the Railroad Retirement Board to the maximum practicable extent, to insure to every "qualified employee" adequate opportunity

to claim and receive such benefits. The administration of such benefits by such Government agencies shall be in accordance with such regulations as the Administrator may prescribe.

"(e) Any claimant whose claim for benefits has been denied, in whole or in part, upon an initial determination by the agency administering benefits under this title, shall be entitled to a fair hearing before an impartial tribunal. In the case of a State agency such tribunal shall be that provided under the law of such State for the hearing of appeals from initial determinations by the State agency under the unemployment compensation law of such State. If the Administrator finds that a Government agency administering benefits under this title has no appropriate tribunal for such purpose, he shall establish one.

"(f) The decision of the agency administering benefits, and of any tribunal reviewing the decision of such agency, shall be communicated to the claimant and to other interested parties within 5 days after it is made. Any claimant and any labor organization, of which such claimant is a member, duly authorized to represent employees in accordance with the National Labor Relations Act or the Railway Labor Act may, after all administrative remedies have been availed of and exhausted, obtain a review of any final decision of such agency or tribunal by filing a petition for review within 90 days after the mailing of notice of such decision to the claimant, or within such further time as the agency may allow, in the United States district court for the judicial district in which the claimant resides or in the United States District Court for the District of Columbia. A copy of such petition, together with the initial process, shall forthwith be served upon the agency or any officer designated by it for such purpose. Service may be made upon the agency by registered mail, addressed to it. Within 15 days after receipt of service or within such additional time as the court may allow, the agency shall certify and file with the court in which such petition has been filed, a transcript of the record upon which the findings and decision complained of are based. Upon such filing the court shall have exclusive jurisdiction of the proceeding and of the question determined therein. It shall have power to enter upon the pleadings and transcript of the record a decree affirming, modifying, or reversing the decision of the agency with or without remanding the case for rehearing. The findings of the agency as to the facts, if supported by evidence and in the absence of fraud, shall be conclusive. No additional evidence shall be received by the court, but the court may order additional evidence to be taken before the agency, and the agency may, after hearing such additional evidence, modify its findings of fact and conclusions and file such additional or modified findings and conclusions with the court, and the agency shall file with the court a transcript of the additional record. The judgment and decree of the court shall be final, subject to review as in equity cases.

"An applicant for review in a district court of the United States under this section shall not be liable for costs, including costs of service, or costs of printing records, except that costs may be assessed by the court against such applicant if the court determines that the proceedings for such review have been instituted or continued without reasonable ground.

"(g) No decision or finding of an agency administering benefits under this title shall be subject to review by any Federal court or any Government agency, except as provided in this title.

"(h) Any State agency found by the Social Security Board to have failed to comply substantially with the terms of an agreement entered into pursuant to subsection

(b) of this section may obtain a review of such finding by filing a petition for review within 90 days after the communication of the finding to such State agency in a United States district court for any judicial district in the State or in the United States District Court for the District of Columbia. A copy of such petition, together with the initial process, shall forthwith be served upon the Social Security Board or any officer designated by it for such purpose. Service may be made upon the agency by registered mail addressed to the Chairman. Within 15 days after receipt of service or within such additional time as the court may allow, the Social Security Board shall certify and file with the court in which such petition has been filed, a transcript of the record upon which the finding was based. Upon such filing the court shall have exclusive jurisdiction of the proceeding and of the question determined therein. It shall have power to enter upon the pleadings and transcript of the record a decree affirming, modifying, or reversing the finding of the Social Security Board, with or without remanding the case for rehearing. The finding of the Social Security Board as to the facts, if supported by evidence and in the absence of fraud, shall be conclusive. No additional evidence shall be received by the court, but the court may order additional evidence to be taken before the Social Security Board and such Board may, after hearing such additional evidence, modify its finding and file such additional or modified finding with the court, and the Social Security Board shall file with the court a transcript of the additional record. The judgment and decree of the court shall be final, subject to review as in equity cases.

"(i) From time to time, after consultation with each State and Government agency other than the Railroad Retirement Board and the Unemployment Compensation Board of the District of Columbia, the Administrator shall estimate the amounts of contribution or reimbursement to be due each such agency pursuant to the provisions of subsection (b) during an ensuing period of not more than 3 months, and shall certify such amount to the Secretary of the Treasury for payment; reduced or increased, as the case may be, by any sum by which he finds that payments for any prior period were greater or less than the amount which should have been paid under such subsection.

"(j) Upon receipt of a certification, by the Administrator, by the Railroad Retirement Board, by the Unemployment Compensation Board of the District of Columbia, or, to the extent permitted by the regulations of the Administrator, by a Government agency or a State agency, for payments pursuant to this section, the Secretary of the Treasury through the Fiscal Service of the Treasury Department, and prior to audit and settlement by the General Accounting Office, shall make payment in accordance with such certification.

"(k) The Administrator shall, from time to time, certify to the Secretary of the Treasury, for payment to the Railroad Unemployment Insurance Administration fund, such amounts as he determines to be equal to the administrative expenses incurred by the Railroad Retirement Board by reason of this act.

"Sec. 403. The Administrator is authorized to delegate (i) to any officer or employee of the Retraining and Reemployment Administration, (ii) to any State unemployment compensation agency, (iii) to the Railroad Retirement Board, or (iv) to any member or officer of any such agency or such Board any of the powers and duties herein described, excluding only the power to prescribe regulations. Such delegation may be revoked or modified whenever the Administrator deems it advisable: *Provided, however*, That a delegation to a State unemployment compensation agency shall not be revoked

or modified while an agreement between such agency and the Administrator, pursuant to subsection (b) of section 402 is in effect.

"Sec. 404. (a) The Administrator shall have and shall exercise all the powers necessary for the effective administration of this title. He may employ such persons and provide for their remuneration and expenses as may be necessary for the proper administration of this title. Such persons shall be employed and their remuneration prescribed according to the civil-service laws and the Classification Act of 1923, as amended. Notwithstanding any other provision of law or regulation, the Social Security Board and the Railroad Retirement Board may disclose their records of compensation to any agency or person authorized by the Administrator to adjudicate claims for interim placement benefits. The Administrator shall have power to require an employer to report the amount of any wage or any other information needed to adjudicate a claim for interim placement benefits.

"(b) (1) The Administrator is authorized to make such studies and investigations, to hold such hearings, and to obtain such information as he deems necessary or proper in order to aid in carrying out the provisions of this title. The Administrator is further authorized by regulation or order to require any person to furnish any such information under oath or affirmation or otherwise, and to make reports, and he may require any person to permit the inspection and copying of records.

"(2) For the purpose of obtaining any information under this subsection, the Administrator or any State or Government agency, or member, officer, or employee thereof, to whom the Administrator has delegated such authority, may administer oaths and affirmations and may be subpoena require any person to appear and testify or to appear and produce documents, or both, at any designated place.

"(3) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpoena issued with respect thereto, such person either has furnished the person or agency issuing such subpoena with a copy of such documents (certified under oath to be a true and correct copy), or has entered into a stipulation with such person or agency as to the information contained in such documents.

"(4) In case of contumacy by, or refusal to obey a subpoena served upon, any person under this section, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the person or agency issuing such subpoena, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(5) Witnesses subpoenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(6) No person shall be excused from complying with any requirements under this subsection because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1933 (U. S. C., 1940 ed., title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

"(7) Any person who willfully fails to comply with any requirement made under this subsection, or who makes any statement or entry false in any material respect in any document or report required to be filed un-

der this subsection, shall, upon conviction thereof, be subject to a fine of not more than \$10,000, or to imprisonment for not more than 1 year, or both.

"Sec. 405. (a) Subsection (a) of section 700 of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong.) is hereby amended to read as follows:

"Any person who shall have served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released from active service under conditions other than dishonorable, after active service of 90 days or more, or by reason of an injury or disability incurred in service in line of duty, shall be entitled, in accordance with the provisions of this title and regulations issued by the Administrator of Veterans' Affairs pursuant thereto, to receive a readjustment allowance as provided herein for each week of unemployment or of partial unemployment which (1) begins after the first Sunday of the third calendar month after the date of enactment hereof, and (2) occurs not later than 2 years after discharge or release or the termination of the war, whichever is the later date: *Provided*, That no such allowance shall be paid for any period for which he receives increased pension under part VII of Veterans Regulation 1 (a) or a subsistence allowance under part VIII of such regulation: *Provided further*, That no readjustment allowance shall be payable for any week commencing more than 5 years after the termination of hostilities in the present war."

"(b) Subsection (a) of section 900 of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong.) is hereby amended to read as follows:

"The allowance for a week shall be—

"(1) \$20, plus

"(2) (A) \$5 if he has one dependent, or

"(B) \$10 if he has two dependents, or

"(C) \$15 if he has three or more dependents, less that part of the wages payable to him for such week as is in excess of \$3: *Provided*, That where the allowance is not a multiple of \$1, it shall be computed to the next highest multiple of \$1."

"(c) Subsection (b) of section 900 of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong.) is hereby amended to read as follows:

"In any 2 consecutive calendar years, an eligible veteran shall not be entitled to receive allowances in excess of 52 times the allowance at the last rate established for him in such 2 years."

"(d) New subsections (c), (d), (e), and (f) are hereby added to section 900 of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Cong.), such subsections to read as follows:

"(c) (1) As used in this section the term 'dependent' includes only—

"(A) the lawful wife of a claimant living with him or receiving regular support from him, or the lawful husband or a claimant if dependent upon his wife for support, who, in the week for which an allowance is claimed, has not received \$5 or more either as wages, as an allowance under this title, or under any Federal or State unemployment or disability compensation law; or

"(B) an unmarried child either (1) under 18 years of age, or (2) of any age, if incapable of self-support by reason of mental or physical defect;

"(C) a parent of an unmarried individual if such parent is incapable of self-support and either is living in the same household with such individual or is dependent upon such individual for more than half his support.

"(2) As used in this section the term 'child' shall include only—

"(A) a legitimate child;

"(B) a child legally adopted;

"(C) a stepchild, if a member of the claimant's household; or

"(D) a child to whom the claimant stands in loco parentis and has so stood for not less than 12 months prior to the date of this claim on behalf of such child.

"(d) The Administrator may find an individual to be a dependent of the claimant if the claimant has certified the facts required by the provisions of this subsection.

"(e) Where a child is a dependent of more than one claimant, allowance for the child shall be made only on behalf of one claimant, as determined by the Administrator.

"(f) Where a claimant seeks an allowance for a dependent who is separated from him under court order or written agreement, the allowance for the dependent shall not exceed the amount fixed in the court order or in the written agreement. If such amount is not fixed at a weekly rate, the portion payable for each week shall be determined in accordance with regulations of the Administrator."

"TITLE V—PUBLIC WORKS

"Sec. 501. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

"(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 percent in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 percent according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 percent of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all local or regional plan approved by competent local or regional authority.

"(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

"(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

"(e) As used in this section, the term "State" shall include the District of Columbia.

"TITLE VI—MISCELLANEOUS PROVISIONS

"Sec. 601. When used in this act—

"(a) The term "Government agency" means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

"(b) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Re-

construction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

"(c) The term "State" (except when used in title V) shall include the several States, the District of Columbia (except when used in section 402), Hawaii, and Alaska.

"(d) Subject to the provisions of section 401 (c) and section 401 (d) a "day of unemployment" with respect to an employee means a calendar day (which is not a day of full-time work for remuneration) on which he is able to work and is available for work and with respect to which (i) no remuneration in excess of 75 cents is payable or accrues to him and (ii) he has, in accordance with such regulations as the Administrator may prescribe, registered at a public employment office: *Provided*, That remuneration for a working day which includes two consecutive calendar days shall be deemed to have been earned on the second of such days: *And provided further*, That an employee shall not be deemed unable to or unavailable for work in any period of continuous unemployment by reason of illness or disability which occurs after the commencement of such period.

"(e) A "week of unemployment" with respect to an employee shall mean any period of 7 consecutive calendar days, each of which was a day of unemployment: *Provided*, That any 7 consecutive calendar days which but for the amount of remuneration which accrues or is payable to him would be a "week of unemployment" shall be a week of unemployment if the amount of such remuneration does not exceed \$3.

"(f) A "part week of unemployment" is any period of 7 consecutive calendar days in which there are 3 or more days of unemployment.

"(g) The term "benefit year" means the 12-month period beginning on July 1 of any year and ending on June 30 of the next year, except that a week of unemployment or a part week of unemployment beginning in June and ending in July shall be deemed to be in the benefit year ending in such month of June.

"(h) The term "dependent" means—

"(A) an unmarried child (including a stepchild or adopted child), of an individual, who has not attained his eighteenth birthday and who either is living in the same household with the individual or is dependent upon such individual for more than half his support;

"(B) the wife of an individual if such wife either is living in the same household with such individual or regularly receives support from him, other than a wife who is regularly engaged in rendering services for remuneration or in any occupation for profit if the remuneration for such services or from such occupation is substantial;

"(C) a parent of an unmarried individual if such parent is incapable of self-support and either is living in the same household with such individual or is dependent upon such individual for more than half his support.

"In determining whether an individual has dependents, and in determining the number of such dependents, the agency administering benefits or maintenance, allowances may accept certification by the alleged dependent or, if the alleged dependent is a child, by the claimant, as to the facts necessary for such determination.

"(i) The term "wages" means (i) compensation as defined in section 1 (i) of the Railroad Unemployment Insurance Act and (ii) all remuneration for employment including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include—

"(1) that part of the remuneration which after remuneration equal to \$3,000 has been paid to an individual with respect to employment during any calendar year, is paid to such individual with respect to employment during such calendar year;

"(2) the amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical and hospitalization expenses in connection with sickness or accident disability, or (d) death, provided the employee (i) has not the option to receive, instead of provision for such death benefit, any part of such payment or, if such death benefit is insured, any part of the premiums (or contributions to premiums) paid by his employer, and (ii) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

"(3) the payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400 of the Internal Revenue Code or (B) of any payment required from an employee under a State unemployment compensation law;

"(4) dismissal payments which the employer is not legally required to make.

"(j) The term "employment" means any service performed as a civilian after December 31, 1940, (1) by an employee for his employer, irrespective of the citizenship or residence of either, (A) within the United States, or (B) on or in connection with an American vessel under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, if the employee is employed on and in connection with such vessel when outside the United States, or (2) outside the United States, as a civilian employee of the United States or as an employee of a contractor (including a subcontractor or subordinate subcontractor with respect to the contract of such contractor) while in the performance of a contract with the United States, if such employee was a citizen of or resident in the United States on September 16, 1940, except—

"(1) service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

"(2) service performed in the employ of an instrumentality wholly owned by a foreign government—

"(A) if the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

"(B) if the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof.

"(3) domestic service in a private home, local college club, or local chapter of a college fraternity or sorority;

"(4) service performed by an individual in the employ of his son, daughter, or spouse, or service performed by a child under the age

of twenty-one in the employ of his father or mother.

"(k) The term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented nor numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

"(l) "Public employment office" shall include an office of the United States Employment Service, an office of the Civil Service Commission so designated by the Commission a free employment office maintained and operated by the Railroad Retirement Board, and a facility maintained by an employer under the Railroad Unemployment Insurance Act designated as a free employment office by the Railroad Retirement Board, and any employment facility maintained by a State, by a labor organization or by an employer and engaged in placing workers which is designated as a "public employment office" by the Administrator.

"(m) "Weekly wages" for the purposes of any benefit year means the amount determined by dividing by 13 the wages in that calendar quarter of the calendar year preceding the beginning of such benefit year in which such wages were highest: *Provided, however,* That in the case of any individual whose exact wages for the applicable period are not available or the record of whose wages was not maintained by quarters, the weekly wages shall be determined on a basis deemed by the Administrator to be fair and equitable.

"(n) The term "termination of hostilities" means termination of hostilities in the wars in which the United States is now engaged as declared by Presidential proclamation or concurrent resolution of the Congress.

"(o) The term "person" means an individual, a trust or estate, or a corporation.

"(p) The term "United States," when used in a geographical sense, means the several States, the District of Columbia, Hawaii, and Alaska. When used with reference to the United States Government, it includes Government agencies.

"Sec. 602. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this Act, including such amounts for additional grants under title III of the Social Security Act, as amended, as may be necessary by reason of this act.

"Sec. 603. The provisions of this act shall become effective immediately, unless otherwise provided in the act, and unless otherwise provided shall be terminated at the end of 24 months after the termination of hostilities.

"Sec. 604. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

"Sec. 605. When the Director first appointed under section 102 has taken office, the Office of War Mobilization established by Executive Order No. 9347, dated May 27, 1943, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine shall be transferred to the Office of Mobilization and Reconversion.

"Sec. 606. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless

and until superseded by the Director in accordance with this act, or by operation of law.

"Sec. 607. No alien shall be employed in any capacity in the administration of this act unless he has served honorably in the armed forces of the United States.

"Sec. 608. This act may be cited as the "War Mobilization and Reconversion Act of 1944'."

Mr. DINGELL (interrupting the reading of the amendment). Mr. Chairman, in order that we may save time, I should like to have an understanding with the Chairman and the Members of the House on both sides that in lieu of reading the amendment we have an agreement that a reasonable amount of time be allowed for an explanation of what is contained in it. Therefore, I ask unanimous consent to dispense with the further reading of the bill.

Mr. COOPER. Reserving the right to object, Mr. Chairman, simply for information, I am sure the gentleman will agree that from time to time changes have been made in the draft he is offering as a substitute. Is not that correct?

Mr. DINGELL. No; I do not think so. This bill, H. R. 5227, comes to the House in the exact form in which it was originally presented. There were no changes in it whatsoever.

Mr. COOPER. Then, to be definite and certain about it, as I understand, this substitute seeks to extend coverage for a large maximum of unemployment insurance benefits and a greater length of time, but seeks to do so by authorizing appropriations for that purpose.

Mr. DINGELL. That is correct.

Mr. COOPER. It does not in any way seek to extend coverage by the imposition of a tax of any nature.

Mr. DINGELL. That is correct, but may I say that my only motive at this time in seeking to dispense with the reading of the amendment is that each section may be explained by Members who are interested on both sides of the aisle. If the Committee desires that the amendment be read, that is all right with me, but in the interest of fairness I suggest that we likewise have an agreement that a reasonable length of time be used in explaining the various sections.

Mr. RANKIN. Reserving the right to object, Mr. Chairman, I think the bill ought to be read. This is a very important piece of legislation and a violent departure from the established policies of this Government. The gentleman will have an opportunity to offer his amendment to strike out all after the enacting clause and insert at the proper time, but I do not think we ought to dispense with the reading of the bill. Therefore, I am going to object to the request.

Mr. DINGELL. Will the gentleman withhold his objection for a moment?

Mr. RANKIN. Yes.

Mr. DOUGHTON. May I ask my distinguished colleague, a member of the committee, if there is anything new in his substitute, anything that was not fully considered and discussed in the committee?

Mr. DINGELL. I should say there are additional points in the bill that were proposed and not discussed in the committee. All I would want to say at this time is that my bill is far broader than the amended George bill which was presented to the House by the Committee on Ways and Means.

Mr. DOUGHTON. What I want to know from my friend is whether or not the substance of the substitute was not fully discussed and voted down in the committee.

Mr. DINGELL. I cannot say that all of the features contained in this bill have been discussed in the committee.

Mr. CELLER. Reserving the right to object, Mr. Chairman, it is interesting to note that this so-called Dingell substitute has the undivided and enthusiastic support of the American Federation of Labor, the C. I. O., and the railroad brotherhoods. There are many features of it, I may say to the distinguished chairman of the Committee on Ways and Means, which have not been explained to the Members of the House. In the interest of fair play, it may be advisable to have certain of the Members explain portions of this amendment. I wonder if an agreement cannot be reached whereby, say, an hour's time may be devoted to an explanation of the bill.

Mr. COOPER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER. The question now before the Committee is the unanimous-consent request to dispense with the further reading of the bill.

The CHAIRMAN. The gentleman is correct.

Mr. COOPER. We are losing time now. If that request is to be objected to, the objection had better be made so we can proceed.

Mr. RANKIN. I am going to object to dispensing with the reading of the bill, I will tell you that.

The CHAIRMAN. Objection is heard. The Clerk will read.

Mr. COOPER (interrupting the reading of the amendment). Mr. Chairman, in the interest of saving time and after conference with the distinguished gentleman from Mississippi, I renew my unanimous-consent request that the further reading of the amendment offered as a substitute be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. EBERHARTER. Mr. Chairman, reserving the right to object—

Mr. RANKIN. Mr. Chairman, I have no objection to dispensing with the reading of this amendment.

Mr. DINGELL. Mr. Chairman, that is what I asked for.

Mr. RANKIN. But when it comes to the reading of the bill, I want the bill read under the 5-minute rule, if this amendment is voted down.

Mr. EBERHARTER. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. If the committee substitute is adopted, it would be read under the 5-minute rule of the House, of course.

Is there objection to the request of the gentleman from Tennessee.

Mr. EBERHARTER. Mr. Chairman, reserving the right to object, I think this would be a good time, in order to save time in the long run, to make some agreement as to how long this particular amendment will be debated.

Mr. COOPER. Mr. Chairman, that is not in order, to make any such agreement now. We have to have some debate on the amendment before such an agreement can be made.

The CHAIRMAN. Is there objection to the request of the gentleman that further reading of the amendment offered as a substitute be dispensed with?

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

Mr. KNUTSON (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with at this time, and if the gentleman wishes to make his objection later on it will be perfectly all right.

Mr. RANKIN. Mr. Chairman, the gentleman means the further reading of the amendment?

Mr. KNUTSON. I mean the further reading of the amendment; yes.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I understand that the chairman of the committee and those handling the bill have stated they will give a reasonable time on the bill.

Mr. KNUTSON. Oh, certainly.

The CHAIRMAN. May the Chair state that the question of time would not be entered into until after there has been 5 minutes of debate on the substitute amendment.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I withdraw my objection with the understanding the bill is open to amendment later on.

Mr. KNUTSON. Certainly, certainly.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The gentleman from Michigan [Mr. DINGELL] is recognized for 5 minutes.

Mr. DINGELL. Mr. Chairman, of course I realize that the membership of the committee is very anxious to dispose of the question before it at the earliest possible moment. I am not going to go into any detailed explanation, because other speakers who will follow will each, in their turn, shed light on what the substitute bill contains. I do want to say this, however, to those who are opposed to the bill which I present here: It was born as a result of the fact that the Committee on Ways and Means had too far constricted the provisions of the George bill, otherwise this bill would not have been presented here. Now the intention is to present the liberalized version of what is needed for post-war reconversion in order that we might in conference have an opportunity to liberalize the provisions of the George bill, which has been reduced in substance and in future effect upon what is deemed to be a pressing and important problem of post-war planning. So, Mr. Chairman,

under those circumstances I feel constrained to present the amendment and to urge my colleagues here in the House to act favorably upon the substitute. It will afford to the conferees the opportunity of liberalizing several of the provisions.

It is not my intention as sponsor to bring anything in from the conference committee that the House could not support. I do want to say for the benefit of the membership that the substitute has the united support of the A. F. of L., the C. I. O., and the railway brotherhoods, and enjoys the support of many of the most influential and respected Members of the House on both sides of the aisle. The membership of the committee will be privileged to hear their expressions and explanations with regard to what is contained in the bill.

In connection with my remarks, Mr. Chairman, I should like to have the opportunity to insert in the RECORD several communications I received which I deem important and having a direct bearing upon the subject matter before the House.

The CHAIRMAN. The Chair will state to the gentleman from Michigan that it will be necessary to get consent for that purpose in the House rather than in the Committee of the Whole.

Mr. DINGELL. I stand corrected, Mr. Chairman.

Mr. Chairman, many provisions in this substitute will be thoroughly explained by subsequent speakers. My friend the gentleman from New York [Mr. CELLER], who has taken an active part in the preparation of this bill, will be prepared to elucidate and answer any questions.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield for a question?

Mr. DINGELL. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Wherein does the gentleman's substitute differ from the original C. I. O. bill as drafted by Mr. Schimmel?

Mr. DINGELL. I do not think there is any connection with Mr. Schimmel. I do not know the gentleman.

Mr. KNUTSON. I did not assume the gentleman did.

Mr. DINGELL. I am positive Mr. Schimmel has no connection with this bill.

Mr. KNUTSON. I assume the gentleman did not know him, because the gentleman usually keeps very good company.

Mr. DINGELL. I thank the gentleman.

Mr. KNUTSON. There is a connection, is there not? And I should like to know just wherein they differ.

Mr. DINGELL. No; no.

Mr. KNUTSON. I am seeking information.

Mr. DINGELL. I understand. I am confident the gentleman is sincere in the question he asks, but there is no connection between this bill and the so-called Murray-Kilgore bill, although several of the provisions are parallel, such as the appeals board and the question of an advisory commission. Those matters are in the substitute which I present now.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes; I yield to my friend from Tennessee.

Mr. COOPER. For information permit me to ask the distinguished gentleman from Michigan whether his pending substitute contains title I substantially the same as the so-called George bill passed by the Senate with respect to the Office of War Mobilization? Is that substantially correct?

Mr. DINGELL. I should say so; yes.

Mr. COOPER. Then, with respect to title II, does the gentleman's substitute substantially follow the so-called George bill passed by the Senate with respect to industrial mobilization and reconversion?

Mr. DINGELL. I should rather have my friend, the gentleman from New York [Mr. Celler], go into the detailed explanation, paragraph by paragraph, pointing out the difference between the two bills.

Mr. COOPER. I am merely asking if it does not substantially follow.

Mr. DINGELL. I should say so regarding the first two sections.

Mr. COOPER. The first two titles are substantially the same.

Mr. DINGELL. That is right.

Mr. Celler. Not exactly.

Mr. COOPER. I did not say "exactly"; I said "substantially."

The gentleman's substitute includes title III of the so-called George bill which was eliminated by the Ways and Means Committee.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. COOPER. I ask unanimous consent, Mr. Chairman, that the gentleman may be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DINGELL. Two additional minutes will be sufficient because I would rather have the gentleman from New York go into a detailed explanation of the various sections.

Mr. COOPER. Title III has to do with retraining and reemployment.

Mr. DINGELL. It is my understanding that retraining is virtually out of the substitute—that is as compared with the original bill.

Mr. COOPER. On page 13, line 20 of the gentleman's substitute bill appears title III: "Retraining and reemployment," and extends from page 18. It covers approximately six pages.

Mr. DINGELL. The bill provides for a retraining administration, as it is in the George bill.

Mr. COOPER. In the gentleman's draft, however, the \$200 limitation for transportation of workers to new jobs or to their former bona fide residence is eliminated, is it not?

Mr. DINGELL. That is right.

Mr. COOPER. No limitation even to the \$200 is provided in the gentleman's substitute?

Mr. DINGELL. That is right, but I explained to the gentleman that the purpose of this bill is to get in somewhere between what the original George bill provided and what the committee presented here.

Mr. DOUGHTON. Will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. How many pages are contained in the gentleman's substitute?

Mr. DINGELL. Fifty pages.

Mr. DOUGHTON. How many in the bill reported by the Committee on Ways and Means? Only 15 pages?

Mr. DINGELL. Yes; I believe so. The George bill which came to us was somewhere near the same as mine.

Mr. DOUGHTON. The gentleman asks the committee to substitute a bill of 50 pages for one reported by the committee of 15 pages. Has the gentleman read his substitute?

Mr. DINGELL. Yes; I have.

Mr. DOUGHTON. I infer from the difficulty the gentleman had in answering questions that he never read it.

Mr. DINGELL. I have not had the time to give it the study that it deserves, and I made that clear to those who requested me to introduce the bill.

Mr. DOUGHTON. Let me ask the gentleman this further question: In the dissenting views that the gentleman signed, complaint is made that hearings were not had on the bill that the committee reported. The gentleman admitted awhile ago there was matter in this substitute that had never been considered by the committee. Does the gentleman expect the committee to intelligently and fairly pass upon a substitute of 50 pages brought in here that were never considered by the committee when the gentleman says himself he does not understand it, and he calls on somebody else to explain it?

Mr. DINGELL. I hope we will not go into a lot of hair splitting.

Mr. DOUGHTON. There is no hair-splitting about it.

Mr. DINGELL. Let me answer the question.

Mr. DOUGHTON. It is a fair question.

Mr. DINGELL. It is fair according to the gentleman's view, but I may say to the gentleman, when this goes before the conferees we can bring out a bill that will restore the provision for the Federal employees; we can bring in certain other things that have deliberately been left out of the original George bill. That is the purpose of submitting the substitute at this time.

Mr. DOUGHTON. How are we going to know what is in the 50 pages of the gentleman's substitute?

Mr. DINGELL. We will know as the explanations go on following me. If the gentleman wants to learn what is in the bill, there will be a thoroughgoing explanation given of every paragraph within the bill.

Mr. DOUGHTON. Let me ask another question. If the gentleman is sincere about this, and I know he is.

Mr. DINGELL. I hope the gentleman will not question my sincerity.

Mr. DOUGHTON. I give the gentleman credit for all sincerity. Why were not the things in this bill, that he says were not brought to the attention of the committee, not brought to the attention of the committee, so that it could be

given full consideration by the committee?

Mr. DINGELL. Simply because we had no hearings. No one had any opportunity to bring anything before the committee, and the chairman of the committee knows that.

Mr. DOUGHTON. The gentleman had every opportunity.

Mr. DINGELL. When we tried to bring Mr. Altmyer before the committee, the committee voted it down.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 additional minutes.

Mr. DINGELL. Mr. Chairman, I decline any further time. I said at the outset that if the gentleman from Minnesota is anxious to proceed with consideration of the substitute other Members who are desirous of making explanations, and I refer to Members on both sides, will go into detail and give a complete explanation as to each paragraph.

Mr. KNUTSON. Mr. Chairman, I withdraw the request.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that further debate on the substitute and all amendments thereto be limited to not to exceed 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee [Mr. Cooper]?

Mr. FISH. Mr. Chairman, reserving the right to object, does that include the whole section?

Mr. COOPER. It includes this substitute bill that has been offered by the gentleman from Michigan.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. Celler. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall try in 5 minutes to explain the differences between the committee version of the George bill and the so-called Dingell substitute. There are roughly a dozen or so differences.

First. The Committee on Ways and Means bill strikes out of the George bill the objectives of the act. Those objectives are included in the Dingell bill. Direct expression of a bill's purposes and objectives aids in the act's interpretation in case of disputes and difficulties arising out of administration thereof.

Second. The Committee on Ways and Means version of the George bill draws all the teeth as to powers from the Director. The Dingell bill restores those teeth and gives the Director full powers to cancel out, if necessary, conflicting directives of other war agencies.

Third. In the George bill there is provision made for unemployment compensation insurance for Federal employees. In the Committee on Ways and Means version that is stricken out. That provision is reinstated in the Dingell substitute. Why should molders, carpenters, riveters, electricians working in camps, arsenals, and navy yards and on Federal pay roll be denied, for example, unemployment compensation which is

granted those same workers employed in private shipyards, and shops and plants?

Fourth. Retraining of civilian employees is not included in the Committee on Ways and Means version of the George bill. That retraining program is included in the Dingell substitute.

Fifth. The Dingell substitute makes provision for unemployment compensation for merchant seamen on ships owned by private owners. The Committee on Ways and Means version does not take that relief into consideration. In the George bill only seamen on Federal ships and on Federal pay roll are considered.

S'xth. The duration of the benefits under the George bill is for 2 years. The Committee on Ways and Means struck that down to 1 year. The Dingell substitute reasserts the 2-year provision.

Seventh. The George bill provides for \$200 transportation for migratory war workers to their homes. The Committee on Ways and Means version struck that provision out. The Dingell substitute reinstates that provision, with one additional provision that the \$200 can be used to go home, or the \$200 can be used to go to another war job.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. COOPER. Will the gentleman kindly point out where the \$200 limitation appears in the substitute? This subject matter as discussed is found on page 17, but I fail to find any \$200 limitation at all.

Mr. CELLER. I will come to that in a moment. Let me finish these other differences first. I am quite sure it is in there. There is, however, in the Dingell substitute no limitation on the amount that may be accorded the discharged civilian worker.

Mr. COOPER. There is no \$200 limitation in the substitute.

Mr. CELLER. That is correct. Please let me finish these general differentiations between the measures. I am disinclined to yield any further. Eighth. In the Committee on Ways and Means' version of the George bill there is no provision for the setting up of an advisory board to aid or implement the work of the Director; the advisory board to consist of representatives of labor, industry, agriculture, and the public. The Dingell substitute reinstates that provision, which may be found in the George bill. Ninth. The Committee on Ways and Means' version of the George bill strikes out from the George bill what is known as the appeals board where one aggrieved by the action of the War Production Board, for example, with reference to the disposition of war materials, would have the right to appeal to an appeals board. That provision is not in the Committee on Ways and Means' version, but is in the Dingell substitute. Tenth. Surveys of employees are out of the Committee on Ways and Means' version. They are in the Dingell substitute. Eleventh. There are certain minor changes with reference to loans to States for public works. The Dingell substitute remedies that situation. Twelfth. Neither the Committee on Ways and

Means' version nor the George bill provides for the retention of the United States Unemployment Service. The Dingell substitute provides for the retention of the United States Unemployment Service for a period of 2 years. It is absurd to have such a service for mobilization and not for demobilization. There will be greater need, since 11,000,000 more jobs for returning veterans must be found. With no such agency we will have after the war 48 different job agencies for 48 separate States.

Those, in general, are the distinguishing features between the Dingell substitute and the Committee on Ways and Means' version of the George bill. I cannot in 5 minutes explain in detail all these differences. I am going to confine myself to one, namely, that difference concerning the powers of the Director as they are asserted in the different bills. In the Dingell substitute, in title I, we have significant language as to powers of the Director which was originally in the George bill, and was deleted from the Ways and Means version of the George bill. On page 3 of the George bill you find this language, and it is very important. The language begins on line 12:

The Director shall have the power to—

Issue such directives to other executive agencies as may be necessary to carry out their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the directives of the Director expeditiously and, to the extent necessary to carry out such directive, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities which are now within the scope of the powers possessed by the President or the executive agencies under existing law or future acts of the Congress.

Mr. DOUGHTON. In reality, is this the Dingell substitute or is it the Celler substitute?

Mr. CELLER. This is in general the Dingell substitute, not the Celler substitute. The Dingell substitute is the bill that was prepared by a committee composed of representatives of the American Federation of Labor and certain Members of Congress. It is primarily an A. F. of L. bill, and the C. I. O. and the railroad brotherhoods join in supporting it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

Mr. CARLSON of Kansas. Reserving the right to object, Mr. Chairman, and I am not going to object, I sincerely hope the gentleman will discuss the benefits. I trust someone will bring that up before the gentleman takes his seat.

Mr. CELLER. That is reserved for another Member to discuss.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CELLER. Continuing, I wish to state something with reference to the genesis and the history of this bill. It is primarily a bill prepared by the representatives of the American Federation of Labor. It is not the Kilgore bill, it is not the Murray bill, it is not the Celler bill. It is, however, a realistic approach to reconversion. Both the C. I. O. and the railroad brotherhoods have joined with the A. F. of L. in support of this bill. This bill has the unified and enthusiastic support of all the national labor organizations.

It is unfair to say that anyone by the name of Schimmel or anyone by the name of Kilgore or Murray wrote this bill. Those names are borne, however, by most honorable and distinguished gentlemen. The representatives of labor met on numerous times in my office and finally in the office of the gentleman from Rhode Island [Mr. FORAND], and we fashioned this bill after many days of toil. Numerous liberal-minded Members of this body met with us. Much of the Kilgore bill is not included in the so-called Dingell substitute.

It has been agreed that those who will offer separate amendments in event the Dingell substitute fails will explain the various provisions of the Dingell substitute. It is within my province and I have been delegated to explain the differences with reference to the powers of the Director.

We cannot have any decent and logical kind of reconversion unless somebody has power. If we give the Director powers with one hand and withdraw those powers with the other hand, all he can do is tilt at windmills. We give the Director in the pending bill only a paper sword. Under the version of the Committee on Ways and Means, the Director of War Demobilization has most of his power shorn from him. Great powers are given to the President, but that will not answer. If a dispute arises between the War Manpower Commission and the Director of War Demobilization, or between the Director of War Demobilization and the selective-service group, they cannot be rushing to the President. He is a man enmeshed in multifarious duties. He should not be burdened with the settling of the disputes every day between this war agency and that war agency, between a Mr. Wilson and a Mr. Nelson, between a Vice President and a Mr. Jesse Jones. With the version of the Committee on Ways and Means, you are going to have confusion worse confounded. The War Manpower Commission or the Smaller War Plants Corporation or the Army or Treasury Procurement will issue a directive, and the Director of War Demobilization under the Ways and Means Committee version may not want it because it unduly interferes with his work. Under the Dingell substitute he would have the power to cancel out the action of the war agency that interferes with the work he is trying to do in carrying out the purposes of the act, which is to bring about a proper and an appropriate reconversion with a minimum of unemployment and by creating as many new jobs as possible.

Mr. ROLPH. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from California.

Mr. ROLPH. Will the gentleman explain how the public works section of this bill compares with the public works section of the George bill?

Mr. CELLER. The gentleman from New York [Mr. LYNCH] is going to cover the subject of public works and loans, and I ask the gentleman to be patient and wait to hear him.

In the report issued by the Committee on Ways and Means, its members cite favorably certain observations of the House Committee on Post-war Economic Policy and Planning, as to concentration of power in the War Mobilization Director, but in drafting the bill they fail to follow these observations.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. VOORHIS of California. Mr. Chairman, my remarks will be directed at what I think is the fundamental question the House is going to have to decide. There are things in the Dingell substitute which I think could be improved, things, which I think would have to be worked out. I believe that could be done without difficulty in conference. But what I am thinking of is the situation that the United States confronts at this hour. I do not believe that situation can be met by passing a bill in a frame of mind which would be appropriate only to our undertaking a task of amending peacetime unemployment compensation laws in this country in, let us say, the year 1925. I do not believe the bill as reported to the House is in line with the tremendous scope of the problems we face. I hope the House will realize that the greatest war in history is, we fervently hope and pray, going to be won in the course of the next year or so. But when that war is finally won we shall confront the greatest problem of economic readjustment in all the history of the world, a problem that cannot possibly be met by quarrelling over the amount of unemployment-compensation benefit that is paid in certain States, the question of States' rights, or similar matters. The question is simply this: Whether the United States will provide for meeting that reconversion period on a broad plane of statesmanship and imagination and with a will to see to it that America has full production and full employment of our people; or whether we will fail to see it in that light. Members have taken the floor of the House and spoken of the national debt and expenditures involved and they have accused those who have advocated Federal standards during this interim period for unemployment compensation as being pessimists and prophets of doom. I ask, Mr. Chairman, who are the prophets of doom? Are they those people who say that, if we provide for an orderly system of preventing the buying power of our country from collapsing during this period, we will be forced to spend untold billions of dollars because forsooth they must believe widespread unemployment is coming, or those of us who say we be-

lieve it is possible if we provide for an orderly and effective method of reconversion to prevent unemployment and depression and thus avoid any large expenditure? Mr. Chairman, I believe the first group are the prophets of doom. We who advocate forthright dealing with reconversion problems have sincere faith that we can prevent a deflation and depression if we will. The problem of the national debt depends directly upon whether we maintain an economy of full production and high national income in the period after this war. Every student of the subject tells us and knows that in connection with reconversion there will be a period of adjustment and some unemployment will result. My own State, my own county, has hundreds of thousands of people employed in aircraft plants. We know those people cannot continue to be employed in the aircraft plants. We want a really effective job done of helping those people to get to work in other places. We want the job done so that the over-all buying power of America will afford a sufficient sustained market so that other industries can spring up and so that new businesses can start and so that there will be some place to sell the goods which these people are going to have to produce if they are to be employed at all.

Mr. Chairman, this problem is not one, in my judgment, that can be considered from a small point of view. It is only one that can be considered from this standpoint: We know there will be some unemployment. Estimates are that it will reach 5,000,000, no matter how fast reconversion takes place. The whole question is whether after it reaches 5,000,000, we will have a continuing downward spiral because we permit a decline in effective demand to take place, or whether we will provide well enough for that transition period so that although unemployment may rise to an unavoidable 5,000,000 there will not be a reduction in the over-all market for goods because we here provide against it and we can then see employment start upward again and can enter into a period of real, full national production so that we can pay off this national debt. But if the buying power of those who are unemployed is allowed to go down to a very low level then that vicious downward spiral of less buying power, less production, less and less employment, and lower and lower prices will become inevitable. At the present rate of production, Mr. Chairman, it will be altogether possible, if we kept taxes where they are now—which, of course, we will probably not do—but assuming we did keep taxes where they are now, and assuming we were to maintain production where it is now, we could pay the whole national debt in less than 20 years. The whole question of paying that debt and carrying it depends upon whether we sustain full production or not. And to a great extent Congress is going to decide that question by its action in providing or failing to provide an effective bridge for all our people, businessmen, workers, everyone, from war to peace. And that does depend in turn very largely upon whether

or not really effective unemployment compensation payments, effective programs for the shifting of workers from war to peace jobs, effective planning of essential public works, and all the rest are done before, not after, it is too late. The time for such action is now.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. VOORHIS of California. Mr. Chairman, I ask unanimous consent to proceed for 4 additional minutes.

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, this debate is limited to 1 hour. There are numerous Members who want to speak on the amendment and from now on I propose to object to all requests for additional time.

Mr. VOORHIS of California. Mr. Chairman, I am sorry to have to ask for additional time.

Mr. CRAWFORD. Mr. Chairman, I very much dislike to object but we are all responsible for our districts. We want a voice on this matter.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. CRAWFORD. Mr. Chairman, I object.

Mr. VOORHIS of California. Mr. Chairman, I ask unanimous consent then to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. CRAWFORD. Mr. Chairman, I dislike to, but I am going to object. I object.

The CHAIRMAN. Objection is heard. (Mr. VOORHIS of California asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Oklahoma [Mr. DISNEY] is recognized for 5 minutes.

(Mr. DISNEY asked and was given permission to revise and extend his remarks.)

Mr. DISNEY. Mr. Chairman, I have no slight idea that this Committee is going to adopt this substitute, for I am minded that Members here want to think things out and understand them. This substitute, consisting of 50 pages and covering the general subject, was substantially only yesterday called to the attention of members of the committee. Personally I did not have a chance to get hold of it until we adjourned yesterday, because we were constantly at work on the bill reported by the committee; and to read it, digest it, and understand it in that short period of time would be next to impossible. I doubt seriously if I understand the individual gentlemen in this House that they are going to vote for a substitute they have never seen, have not heard read, which the Ways and Means Committee has not seen and has not had the opportunity to study and digest. It would seem inconceivable that they would.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I have only 5 minutes.

Mr. CELLER. I just want to state that the bill was offered on the 22d of August.

Mr. MAY. Tell us about the additional cost of this.

Mr. DISNEY. I do not know what it would cost; I do not know; but I do know that we are collecting now about \$45,000,000,000 in Federal taxes from the people of the Nation and about \$11,000,000,000 in State and local taxes. If we are going to add unnecessarily to that stupendous tax bill I think we are reaching a difficult problem.

Mr. MAY. Mr. Chairman, will the gentleman yield for just a brief question?

Mr. DISNEY. If I yield to the gentleman from Kentucky I shall have to yield to others and it would be unfair to me because I have only 5 minutes.

Mr. Chairman, this is a most far-reaching bill. Regardless of who drew it, it is most fearfully and wonderfully made. I cannot conceive of your understanding it, and I have too much confidence in your judgment for you to vote for it without understanding it more than you could from the explanation that the gentlemen, who will come to you as partisan authors of the bill, or provisions in the bill, can give you in the short period of time that will be allowed to them. An hour now to consider a 50-page amendment that the Ways and Means Committee never had a chance to study! It is full of committees. On page 7 is one committee; on page 15, another; on page 12 is a board of appeals. You will want to think that out and know about these committees that are going to have charge of your public business; you want to know about that.

The whole retraining program, more than the original, appears in this bill if I understand it. I have had a chance to read it only cursorily, but there is not a word of limitation in this bill except the judgment of the Director; no limitation on the amount of money that would be spent in sending people to jobs or back home from jobs. Even the \$200 limit is omitted. On page 17 you find that the retraining Administrator has substantially the right to prepare what is called a unified reemployment program covering recruitment, training, transfer, and placement of the workmen of this country. I have not had a chance to see whether or not that section provides for enforcement of the plan, but obviously it is in contemplation that it be enforced; that is to say, the placement and the recruitment of workers in this country. Have we come to that? Are we contemplating going to that, legislatively speaking? To the regimentation of all our citizens who labor? I can only touch on a few features here in 5 minutes. If you have copies of the bill—let me read you this because you have not the bill. Now, this is the generalization for your State and your district or State having a responsibility as well as a right.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the gentleman from Oklahoma may proceed for 5 additional minutes.

Mr. CRAWFORD. Mr. Chairman, I object.

Mr. JENKINS. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I should like to have the attention of the House, because the distinguished gentleman from New York [Mr. CELLER] has laid down the gage of battle, if there is any real battle in this substitute amendment that is before us. In other words, he has pointed out to you honestly and fairly that his bill, which I presume is the Dingell bill, has 12 major differences as contrasted with the legislation that we are now considering.

I want to say that each and every one of those 12 objections were considered exhaustively and extensively by the Ways and Means Committee. Practically all of these are matters that were originally contained in the old Murray-Kilgore bill. I will not occupy the time of the House to review again in detail how this legislation we are now considering, the bill brought in by the Committee on Ways and Means, comes to the House, but you will remember in the Senate the Murray-Kilgore bill was considered at great length. It was amended very materially, and the bill that passed the Senate was henceforth designated as the George bill. The whole philosophy of the Murray-Kilgore bill was changed in the bill reported as the George bill.

The George bill came to the Ways and Means Committee. We took it up and considered it thoroughly. We took into consideration all of these items that the gentleman from New York [Mr. CELLER] has so honestly and fairly presented to us. I cannot blame him for his position. He is taking an honest position, but he is just wrong. Let us take his position and consider what it would cost. It would cost billions and billions of dollars. Nobody has cared to risk his reputation as a financier or as a prophet by offering a guess.

At this time, Mr. Chairman, when we are confronted with such a tremendous national debt and such terrific current expenditures, how in the name of common sense can we dare consider embarking upon a program or programs that will cost billions and billions of additional dollars? The gentleman from New York said he rose to prove that the pending bill did not give to the Administrator sufficient power. May I say in all candor and in all honesty that there was no disposition in the Ways and Means Committee, politically or in any other way, to set up any kind of an organization except an efficient one. We started out on that premise. We provided for the appointment of a Director of Demobilization and Reconversion and that the President should make that appointment. We gave this Director the right to select as many assistants as he might need and to select them outside of civil service. In other words, we started him out without any hamstringing of any kind. We put him on his feet and started him on a program to do a big job in a big way.

There is absolutely no use giving consideration to all these objections that my distinguished friend makes, because they have been through the mill of controversy in the other body and have gone

through the mill of controversy here. The Celler-Dingell bill, as I said before, is largely a rehash. As a matter of fact, it is not as consistent as the original Murray-Kilgore bill. It is a makeshift proposition. They have tried to take certain portions of the Kilgore bill and the George bill and put them together, with the result they do not jibe. There is only one respect in which they are consistent, and that is in their tremendous and colossal expense.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, one of the details in the Dingell bill, of course, that makes a great appeal from a reading of it is the matter of the retraining of these war workers for new jobs. When I took the floor here the other day I pointed out just where that would lead us. Nobody could estimate the cost of putting these 86 different activities under various bureaus in this country.

In my remarks on this bill on Tuesday, I called attention to the need for adequate provision for vocational training through utilization of agencies concerned and established institutions to enable soldiers and war workers to enter on new employment. I am now calling your attention to some of the facilities which have been developed under the vocational education acts during the past 27 years which may be utilized for retraining purposes. An inventory of this program discloses the following accomplishments and resources:

First. A State director and supervisory staff in all the States, including the Territories of Hawaii and Puerto Rico and the District of Columbia, amounting to approximately 1,000 persons who have been professionally trained and experienced in the organization and supervision of vocational school programs.

Second. A corps of local directors, supervisors, and teachers amounting to approximately 60,000 having occupational experience and professional training in the administration of vocational schools in agriculture, trades and industries, home economics, distributive education, and occupational information and guidance. The annual enrollment in these vocational schools approximates 2,500,000. Of this enrollment, slightly more than 50 percent are adults who go back to school for further training to up-grade them in their vocation.

Third. The vocational training for defense workers program, now known as the vocational training for war production workers program, was inaugurated by the passage of Public, No. 668, Seventy-sixth Congress, third session, approved June 27, 1940, which provided an initial appropriation of \$15,000,000. The Congress has appropriated funds for the conduct of this program each succeeding year. The total amount so appropriated for the cost of courses, including the appropriations for the present fiscal year, is \$318,340,000. During the same period an additional amount of \$43,000,000 has been appropriated for equipment.

The development of vocational education as a cooperative activity between the States and the Federal Government was initiated by the enactment of the Smith-Hughes Act, Public, No. 347, Sixty-fourth Congress, approved February 23, 1917, and subsequently augmented by the George-Deen Act, Public, No. 673, Seventy-fourth Congress, approved June 8, 1936. During the course of the years following the enactment of this legislation the public schools throughout the Nation, in cooperation with the United States Office of Education, have progressively developed trade and industrial education. In 1940, at the inception of the defense training program, it was recognized that the public schools of the Nation were in a strategic position to undertake the expanded training program necessitated by the war emergency and that they would be an important factor in supplying the manpower needs of war industries.

A survey of the training facilities of the public schools throughout the Nation, made by officials of the United States Office of Education and representatives of the Army and Navy, disclosed that in May 1940 there were between 25,000 and 35,000 skilled teachers and supervisors, between 50,000 and 75,000 training stations in public vocational schools, and approximately a billion dollar plant ready and available for an emergency program to supply workers for war industries. At the present moment there is enough equipment available, due to subsequent purchases made possible by Federal funds, to provide in excess of 150,000 training stations.

During the past 4 years many of the training stations have been used on a two- or three-shift basis. Many have operated the full 24 hours around the clock." If the demands for retraining by returning veterans and war production workers warrants, there is no reason why many of these facilities cannot again be operated on a more than one-shift basis.

During the same period, through the facilities made available in the public schools, a total of 6,562,411 persons were trained for entrance into employment in war production industries or received additional training.

Fourth. In addition to the training opportunities for employment in trade and industrial occupations, the vocational program offers part-time and evening instruction in the distributive occupations, in which more than 300,000 men and women were enrolled in 1943.

Fifth. The United States Government has a large investment in the vocational schools of the Nation. During the past 27 years, Congress has appropriated, under the Smith-Hughes and acts supplementary thereto, \$281,000,000 for allotment to the States on a matching basis for the promotion of vocational education. This large investment in the training of personnel to serve as directors, supervisors, teacher-trainers, and for the salaries of teachers, together with a large investment for the cost of courses and equipment in the war training program operating by public vocational schools should now be uti-

lized to enable soldiers and war workers to enter new employment.

Sixth. As the war production training program diminishes and finally terminates with the end of hostilities, the demand for vocational training to enable returning soldiers and war workers to enter new employment will increase. The facilities in personnel and equipment available in the public schools of the Nation should be utilized to the fullest extent for this retraining program.

Seventh. The regular program of vocational education is carried on as a cooperative enterprise between the States and the Federal Government. States and local communities have from the beginning contributed approximately two dollars for every dollar of Federal money received. In 1940, under the exigencies of war, the Federal Government assumed the entire cost of courses and supplied considerable additional equipment. With the ending of this emergency, we should return to the peacetime cooperative program in which the Federal Government cooperates with the States and local communities in the support of vocational education. It is important that we return to this principle to preserve education as a State and local function free from the domination of the Federal Government.

Eighth. If additional funds over those regularly appropriated for vocational education are needed to assist the States and local communities in making adequate provision for vocational training for soldiers and war production workers to enter new employment, then those responsible for the administration of these programs should present their needs to Congress and additional funds should be appropriated on a matching basis in sufficient amounts to meet the need.

SOURCE MATERIALS

Data for the statistical figures contained in the attached memorandum may be secured from the following documents:

First. Digest of Annual Reports of State Boards for Vocational Education to the United States Office of Education for the fiscal year ended June 30, 1943.

Second. Hearings before the subcommittee of the Committee on Appropriations, House of Representatives, Seventy-eighth Congress, second session, on the Department of Labor-Federal Security Agency appropriation bill for 1945; part II, pages 192 to 198, inclusive. Review of Activities of the Vocational Training for War Production Workers Program from July 1940 to June 30, 1943, as revised for the fiscal year 1944.

Third. Vocational Training Problems When the War Ends, published as Vocational Division leaflet No. 12, Federal Security Agency, United States Office of Education.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Chairman, I had not intended speaking on this legislation at all. I have very definite opinions re-

specting this bill, H. R. 5227, and I have examined it very carefully. I could not imagine there would be such violent opposition to the bill since it appeared to me to embody no more than the bare essentials of American justice and fair play.

I have sat here growing "madder" by the minute as I listened to great blasts of oratory—all apparently more concerned with the defeat of Roosevelt than with the prevention of another depression.

It is quite thrilling no doubt, to listen to the stimulating cry, "The public purse has been protected." It is inspiring to listen to the great declamations about States' rights and their sacred character.

But what of the citizen himself—does he rate no protection? Does he have no rights that are sacred?

An American citizen is not a chattel. His toil is not an article of commerce. You cannot play fast and loose with his life and with his home—and tell him to starve while you stand here preaching about the public purse and States' rights.

Turn your back on him again—let him flounder once more in the sea of despondency as he did in the roaring twenties—and though you stuff that public purse with all the greenbacks from hell to hackney—it will not be worth as much as a wagonload of second-hand ashes. You can buttress yourselves with States' rights until your Commonwealth hides behind impregnable walls of complete isolation—but if you refuse to heed the cry of American families they will tear down your walls and they will destroy forever your dream of smug complacency.

I may be all wrong. I admit I get a bit confused sometimes when I listen to all these windy expositions of intricate economics from those who refuse to do business with common sense. I am just one of the ordinary run-of-the-mill Americans, and I do not understand too well all the complicated arguments about economic cycles; but to my way of thinking the most important single thing this country has, ever had, or ever will have, is a happy and prosperous citizen. If he is not worth consideration and protection, then all the acres of print about free enterprise and economic cycles are not worth the paper they are written on.

Up where I come from, in Rhode Island, we have a newspaper which is violently opposed to such legislation as the one under consideration. While this subject was being debated in the United States Senate, the Providence Journal kept up a running attack upon it. Daily editorials kept up a steady fire; and when the George bill was enacted, the Journal chortled with glee; and even though Rhode Island was at the peak of a terrific heat wave—the trap was being closed on the Nazis in Normandy and General Eisenhower was promising a great victory—the Providence Journal gave front editorial space to its cheers for the victory of the George bill.

This daily periodical prefaces its condemnations of social legislation with the statement that it is interested only in the working men and women of Rhode Island. Among Rhode Islanders that statement is as sour as the Journal's

masthead declaration that it is an independent newspaper.

This paper proclaimed in violent language that stark tragedy would follow in the wake of the passage of such a bill. We had the old Hoover cry again—grass will grow in the streets; business will stop doing business; we will all starve if you get any money while you are out of work. The Journal condemned as betrayers of the working men and women, of business, big and little, and of the Nation itself, any legislator who would dare cast a vote in favor of such legislation.

The Journal claimed it argued as it did, only because of its great love of the working men and women of Rhode Island, when the real fact of the matter is the Journal is not interested in States' rights, or the public purse, or anything else any more than are the Hottentots of Asia. The Journal's one all-consuming interest in Rhode Island is a cheap labor market—just what it has always wanted and what it has always fought for.

In its every utterance on this legislation the Providence Journal demonstrated that its real opposition was caused by its complete lack of faith—by its complete disgust with the working men and women of Rhode Island. Never once did it argue unemployment benefits such as here provided would be unnecessary because we would have no unemployment. No; on the contrary, it argued that unemployment benefits should not be liberal because men would prefer to loaf. The Providence Journal argued that the workmen of Rhode Island—the sons and grandsons of the immigrants our built our State, our cities, our mills and factories—yes, and the fabulous fortunes that were the fruit of their toil—that these men are bums and would not work if they could get \$30 a week.

Do not pass this legislation, this Journal said, because the workman is lazy. The home he is struggling to pay for should be taken from him. The education he is trying to give his children should be denied him. The food on his table, the clothes on his kids' back, all he has he does not care for—he would rather see it go, while he wallows around in his hovel and shuns work. He should be made to work 60 hours for \$9 a week, and the Federal Government must not dare presume to interfere with our plans for him.

According to the Providence Journal—and in its Sunday, August 13 editorial it positively proclaimed the real danger in this type of legislation was what I have just set forth—no working man or woman in my State has ambition enough to want to rise out of the rut of abject poverty.

No mention does the Journal make about the plight of the father of a large family struggling to own a home of his own, to pay for a car, to pay for the washing machine in the cellar, and to send a couple of his boys through medical school or college. Not one jot or tittle does the Journal care whether that man has peace of mind in his struggles; not a wisp of a hope does it hold out for him. He is a bum and a sloven.

All the Journal is interested in is a guaranty that he can be forced to accept \$9 a week or starve.

This paper dragged up as a smoke screen for its real purpose the old argument about States' rights. It forbade the enactment of this legislation because the pillars of our Republic would come crashing down round our ears if the sacred doctrine of States' rights were not heeded and this bill thrown out the window.

I cannot help recalling the last time the Journal's crowd of "let-the-State-do-it-fellows" were at the helm of our National Government. I cannot help asking how strong then were the pillars of our Republic, how much longer would they have stood on their foundations had we not reconciled doctrine to facts and applied the remedies which were urgently needed. It seems to me I recall one great champion of States' rights put to the torch the hovels that housed servicemen who came to their Nation's Capital to appeal for a loaf of bread. It seems to me the doctrine of States' rights required they be thrown out of their Nation's Capital and the great engineer turned the guns and the gas on them and their blood flowed on Pennsylvania Avenue.

This great doctrine of States rights flourished in the closing hours of the roaring twenties. States were left to their own devices. States rights were all hallowed. There was no encroachment by the National Government on the provinces of the several States. Yes—and banks closed—savings of many a lifetime were swept away. Families starved—suicides became the order of the day. Business disappeared, both big and little. Farmers were dispossessed and home owners were driven into the street. Yes, and veterans—for whom this very same journal professes such great concern—stood to their knees in slush and snow, humble and meek before the great god of States rights, and polished apples praying someone who came from any State or any country would offer up a nickel as a sacrifice on the altar of private enterprise. All this went on while prosperity sulked around that famous corner which States rights blocked from view.

Yes; we had States' rights while the farmers and home owners were being evicted and States were struggling and going broke trying to pay a pauper's pittance to unemployed and hungry men for whom our great National Government was supposed to exist.

There is no man alive who has more affection for his homeland than have I for the hills and fields and shores of Little Rhody. I love, with an intense affection, every stone wall that winds over the hills. I love every tree, every blade of grass, every wave that rushes from the sea to kiss her fair shores.

I believe there is no place in all the world that compares with Little Rhody, nor is there a people in all this land who surpass Rhode Islanders in charity, in decency, in honor, in brotherly love. Nor is there anywhere a prouder history of complete and violent independence—political and otherwise. The people of Rhode Island are proud they are Americans, and they believe in cooperation.

They are proud of all other Americans and they believe all Americans believe in cooperation.

We are all in this war together. We are all determined we shall cooperate with the peoples of the world to prevent the recurrence of such holocausts. We are also determined that we will not stand around preaching international cooperation—and at the same time preach isolationism at home.

We will not listen to manifestations of interest in the welfare of peoples of other lands from those who boastfully maintain their complete disregard for our fellow Americans. Our responsibility is here. It is under our noses and we do not have to go running thousands of miles to find a chance to be on the level.

Let us forget politics in this thing. Let us not be afraid to admit we are Americans—all of us—and if we determine to make America a little better place to live in the world perforce will be a better place for everyone.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON of New Jersey. Mr. Chairman, it has been my privilege to serve on the special committee of the House on post-war planning. As a result of that service my interest in the subject of post-war unemployment problems has been greatly increased. The information that I have been able to obtain as a member of that committee has been very helpful in understanding the several elements that enter into the problem and the means that must be taken to guard against as well as provide a remedy for such unemployment in the event that it comes upon us. I have studied the subject as thoroughly as any subject that I have ever studied since I became a Member of this House.

I am convinced that the most serious problem this Nation faces as it goes into the post-war period is that with respect to maintaining a national income that will permit purchasing power to keep our peacetime industries going. I am aware of the debt that hangs over this Nation. I am just as solicitous that no unnecessary expenses be added as any Member of this House, but I am equally certain that unless we take the measures that will enable us in the days that are ahead to keep up the purchasing power which produces national income, which carries the burden of the Government, that we will face direful days. It is unpleasant to think what the condition would be if we do not have a sufficient national income to sustain our National Budget.

I have considered it a privilege to serve with the gentleman from New York [Mr. Celler] and others in drawing the Dingell bill, H. R. 5227, now before the House as a substitute for the skeleton bill offered by the Ways and Means Committee. The Dingell bill is sound. It recognizes the human element that should enter into legislation of this character. It represents the careful and studied judgment of Members of this House who are interested in seeing that the welfare of those who labor is not bypassed or overlooked. It is realistic and

sound in its provisions. If a time of unemployment comes upon us, then it will be necessary to have provisions such as are in this bill. All that this bill does is to set up safeguards and standards to meet such an emergency, if and when it occurs. I have given of the best thought and judgment of which I am possessed in the drawing of the bill. So has every other member of that unofficial committee who assisted in the drawing of the bill. This includes representatives from the A. F. of L., C. I. O., railroad brotherhoods, and officials of our Government who by years of experience know the problems with which we are faced and the remedy that should be applied.

Every member of that unofficial committee of House Members was convinced of the importance of the subject and sought to do something that was worth while. I am proud of the bill that is the result of our combined labor.

It is regrettable that those who favor a bill of the importance of the measure we now have before this House do not get the opportunity they should have to inform the Members of the House as to what it contains. The desire for speed in disposing of the matter cannot be justified. I am certain, judging by some of the statements that have been made by some of the Members who are opposed to the Dingell substitute bill that they have never read it. I was astounded to hear the gentleman from Oklahoma, a member of the Ways and Means Committee, state that he did not know anything about the Dingell bill. That it had never come to his attention, nor had it been considered by the Ways and Means Committee of which he is a member. Why did he not know about it? Where has he been? The bill was introduced and has been a part of the official files of this House since August 22. During the time that has intervened the committee of which he is a member has been holding its meetings discussing this subject. If he has been as interested in providing a worth-while bill on this subject, as he indicates, it seems to me he would have brought to the attention of the committee this important measure, H. R. 5223, which bears the name of a distinguished colleague who is also a member of the committee. A bill that has the support and approval of the A. F. of L., C. I. O., and the railroad brotherhoods. It may be too much to expect that the committee would agree with the bill in its every particular, but when I see a great committee of this House, for the members of whom we have great respect, bringing before this House a bill of the character that has been brought before it, without having any hearings, I do not wonder that the people of the Nation begin to lose respect for legislative processes.

The legislation before the House today affects the welfare of millions of our people. It has a direct and important bearing upon the future economy of this Nation. Notwithstanding the importance of the subject, no hearings were held by the Ways and Means Committee before it submitted its bill to the House. No one who had any interest in the subject or had any knowledge as a result

of study or contact with the problem was given an opportunity to testify before the committee in open hearings. This is such a disregard of the rights of our citizens that in my judgment it is subject to condemnation and is inexcusable. The Dingell bill is entitled to, and should have the support of the membership of this House.

(Mr. WOLVERTON of New Jersey asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. LaFOLLETTE].

The Chair may state that recognition is being given to those Members who rose and asked for recognition under the limitation of time.

Mr. ROLPH. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. ROLPH. I know there is a limitation of time, but I did not know that Members who sought recognition were requested to rise. Is there any time left?

The CHAIRMAN. If there is time left, of course recognition can be given, priority being necessarily given to members of the committee.

Mr. DEWEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DEWEY. How much time is left?

The CHAIRMAN. There will be 20 minutes remaining after the gentleman from Indiana has spoken.

Mr. CARLSON of Kansas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CARLSON of Kansas. Will members of the committee be given consideration in the allocation of the remainder of the time?

The CHAIRMAN. Always, if they rise seeking recognition.

Mr. CARLSON of Kansas. Then I ask for recognition later, Mr. Chairman.

The CHAIRMAN. The gentleman from Indiana is recognized for 5 minutes.

Mr. LaFOLLETTE. Mr. Chairman, I fully realize that there are two different points of view involved in these different bills. I do not believe I am a Keynesite. I do not believe wealth is the circulating medium. I think wealth is the material wealth which is produced from all materials processed and distributed among the people. However, I do feel and I think I do know that this is an emergency situation. We have produced for war. As we think of it, it has been an inflationary process despite everything we have done, because the things you produce for war are wasted, they do not become a part of your civilian economy, they do not become a part of anything which could be consumed by the ordinary processes.

When we end that, it is said, "Oh, but the people who will be out of work will have or should have a great deal of money." I do not propose to debate that, because there are disputed figures on that and they are being presented before the War Labor Board, for instance,

all the time. But I do know this. Remembering my own experience in the last depression, I was a fortunate person. I had a little means. I could live on it. But the income from the practice of law, in my office at least, went down about 60 percent. It curtailed extremely my expenditures for things I would want to consume—clothes, food, shoes. Of course, we did not buy automobiles then, at least those of us who were brought up as I was, with the idea that you could not have butter and jam on the same piece of bread until you had saved enough to own at least two "rent houses," as we described rental properties in my country when I was a boy.

But that curtailment, which I experienced, is going to be experienced by these people. Suppose a man has an amount of \$300 or \$400 which is saved up. We stop producing for war. There is going to be a period of at least 6 months or a year before you get people back at work, producing consumer goods. There will be the products of the farm; there will be the consumer goods that are available now. They will not be consumed, so that people can go on, unless you give these people reasonable assurance that they can spend with some feeling that they are going to have a regular income.

There is going to be a need for a great post-war building program after this war is over. We all know that. Would it not be much better if we produce a uniform maintenance stand-by pay for the people who work, so that if they have savings they may be used as a down payment on the building of homes rather than to start the financing of homes, as you will do otherwise, on a Government proposition, where you go from 90 percent to 95 percent or for all the financing?

This thing, fundamentally, is not the nationalization of the social-security system, because there is no tax levied. That question is one which might and will be, undoubtedly, debated after this is over. No one, at least of those who propose this legislation, even contends that that is true, but if the product and the wealth of invested capital come from sales which transcend State lines, and the greatest thing that has contributed to the development of America, in my opinion, is the commerce clause of the Constitution of the United States, then if you have levied a 3-percent excise tax upon the employers and the manufacturers, that is passed on to the consumers and those consumers are all over the United States.

Then if capital received accretions from sales all over the Nation and to the Nation at war, why deny equally national treatment of unemployment benefits to the worker in industry. Industry consists of capital and labor; both should be treated similarly by this body.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(Mr. LaFOLLETTE asked and received permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Kansas [Mr. CARLSON] is recognized.

Mr. CARLSON of Kansas. Mr. Chairman, I regret very much that the debate

is so limited that this amendment cannot be thoroughly analyzed by the Committee. We have analyzed it in committee and I am somewhat familiar with it. Before the House votes on this particular amendment as a substitute for the George bill, I think every Member should be apprised of the fact that its approval would bring about a change in what has been our national policy from the beginning of our Nation for the treatment of our war veterans. We have always accorded those boys who fought our battles a preferential treatment over those who remained at home and took their place on the farms and in the factories.

Mr. LAFOLLETTE. Mr. Chairman, will the gentleman yield?

Mr. CARLSON of Kansas. Not at the present time.

Mr. LAFOLLETTE. The gentleman's statement is not correct.

Mr. CARLSON of Kansas. I have read this bill and if I understand the English language it provides on page 19 that a war worker who is an individual and has no dependents will receive \$20 a week for a period of 52 weeks, and an individual who has one dependent will receive \$25. In another section of the bill I notice that a veteran who has no dependents is to receive \$20. If he has one dependent he receives \$5 additional, or \$25. Congress passed the G. I. bill, which provides a weekly compensation of \$20 a week for a period of 52 weeks for our veterans. This bill makes the same payments for our war workers who have been receiving high wages, time and a half and double time. It may be that some individuals take the view that we should pay the same benefits to those who have remained at home as those boys who are fighting our battles in Italy, Normandy, and the Pacific. I want it definitely understood that is not my view. I will not support legislation that will place the veterans of this Nation on the same basis as the folks who have stayed at home and drawn higher wages than they ever made before. This amendment would provide the same benefits for placement and unemployment compensation. The C. I. O. has definitely taken the position that war workers are entitled to the same consideration as our boys who have gone through torture and faced death.

I want to quote from the hearings a statement which will be found in the hearings before a subcommittee of the Military Affairs Committee of the United States Senate on May 30, 1944. The committee held hearings on S. 1730 and S. 1823 on mobilization and demobilization problems. I am going to read it to you now. This is not my statement, but it is the statement of Richard T. Frankenstein, vice president and director of the Aircraft and United Automobile Workers, Congress of Industrial Organizations. Listen to this. This is his statement on page 220, in case you want to look it up:

War workers and war veterans should be treated alike so far as job placements and unemployment compensation are concerned.

On page 221, further quoting Mr. Frankenstein:

No legislation will be satisfactory to our organization—

Meaning the C. I. O. Listen to that—to our organization which provides separate treatment with respect to jobs for returning servicemen and for war workers.

Those are his words; they are not mine. I leave it to this House if we today are going to vote for legislation which will change a policy that this Nation has always had, the policy of preferential treatment for those who have faced death on the battlefield.

Mr. ROLPH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask for this time in order to read two telegrams received this morning from San Francisco.

When the distinguished gentleman from New York [Mr. Celler] was on the floor I asked him to explain any difference between the public-works section in Senate 2051 and the Dingell substitute to the House committee bill. The gentleman from New York, Congressman Celler, states that the gentleman from New York [Mr. Lynch] will explain the public-works provisions in the two bills. Before the gentleman from New York, Representative LYNCH, speaks, I wish to submit these telegrams; the first comes from Builders of the West, and reads:

SAN FRANCISCO, CALIF., August 30, 1944.

Representative THOMAS ROLPH,

Washington, D. C.:

The cities, counties, and other political subdivisions in the 11 Western States are desperately in need of assistance for preparation of plans and blueprints for post-war public work. The provisions of title 5 of Senate 2051 are very workable if passed in its present form. Modifications of title 5 of Senate 2051 as recommended in report of Ways and Means Committee of House of Representatives are entirely unworkable. We have checked with many political subdivisions and all have same reaction. Requirements for repayment of loans are far too rigid. This plus inclusion of interest will prohibit acceptance of loans by political subdivisions until referendum vote has been taken. We urge you to do everything in your power to obtain passage of Senate 2051 retaining title 5 thereof as it was passed originally by the Senate. This will do more to speed up preparation of plans for public work than anything else that can be done at present time. Without it we are doomed to another W. P. A. Similar wire being sent to each Congressman from 11 Western States.

REX L. NICHOLSON,

Managing Director,

Builders of the West, Inc.

I now read the other wire coming from the California State Federation of Labor:

SAN FRANCISCO, CALIF., August 30, 1944.

Hon. THOMAS ROLPH,

Washington, D. C.:

Urge your support of Senate bill 2051 without amendments recommended by House Ways and Means Committee.

C. J. HAGGERTY,

Secretary, California State

Federation of Labor.

Mr. SADOWSKI rose.

The CHAIRMAN. For what purpose does the gentleman from Michigan rise?

Mr. SADOWSKI. In support of the Dingell substitute.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes.

Mr. SADOWSKI. Mr. Chairman, I rise in support of the Dingell substitute. I am disappointed to find that the Ways and Means Committee approached this

problem of reconversion and neglected entirely the subject matter of reemployment. It seems to me that reemployment and reconversion are tied in together. The whole subject matter of reconversion is based on the proposition of reemployment, of putting our people back to work. Perhaps down there in Minnesota where our great sage, and colleague [Mr. KNUTSON] comes from, he may not have the problems we have in Michigan; perhaps he will not be hit as hard, but in our State it is not only the C. I. O., the A. F. of L., and the railway brotherhoods and all organized labor that are alarmed about the reemployment situation, but our Detroit Chamber of Commerce, our Michigan Manufacturers' Association all have pointed out repeatedly through their publications this terrific problem we are going to be faced with.

I should like to be optimistic and join with the chairman of the Ways and Means Committee, with the gentleman from Minnesota [Mr. KNUTSON] and others and say: "Oh, well, there is going to be plenty of work; everybody is going to find employment; everybody is going to be taken care of," but my business people in the city of Detroit, the manufacturers in the city of Detroit do not believe it can be settled so easily. We have a problem here to face and they have asked help in this respect. We are not giving them any help at all, we are simply saying: "You go ahead and find your own way out."

I am mindful of the situation in the district of my distinguished colleague the gentleman from Michigan [Mr. WOLCOTT], which adjoins mine. In the last couple of years he has had a hundred thousand new people move into his district. I am mindful of the district of my distinguished colleague the gentleman from Michigan [Mr. DONDERO]. I know that he has had at least 100,000 new people move into his district. These people have come from every part of the country, Tennessee, Alabama, Mississippi, Georgia, and some have come from the upper part of Michigan; but they are there only temporarily; they have come in there for these war jobs. Now they have got to go back; we have to make terrific readjustments.

We must feel that we have a responsibility toward that phase of human readjustment. Certainly this Congress is neglecting one of its most important duties. One of the most important things we have to do today is to find employment and see that these people are readjusted into new jobs, into their old jobs, you may say, with the least bit of shock to the economic system.

I think the Dingell substitute is worthy of your support for it has been gone into so carefully by the Celler committee, and they have given it real careful study, they have tried to take care of about 10 of the important points that were eliminated in the House committee bill. Those points are all important, and they are incorporated in the Dingell substitute. I am going to vote for that bill.

I do not think the cost is going to be too great. Maybe it will be tremendous, as some of the folks say it will be. I do

not know, nobody knows, what the cost will be, but we cannot take a chance on it. We cannot just simply say, "Oh, well, we will see after the thing hits us." After the flood is on and the misery and suffering is on and the economic condition has been jarred to such an extent that everybody will suffer, farm prices and everything else, then it is too late to come down here and take care of this situation. We will probably be in recess. This is something we should do now. If the situation does not turn out to be as bad as some of us fear it may be, so much the better, it may not cost us anything or very little; but if it is bad, if the situation is bad, at least we will have something here to stop a condition which would be demoralizing to the Nation.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. TOLAN].

Mr. TOLAN. Mr. Chairman, today I voted for the Dingell substitute to House Ways and Means conversion and demobilization bill. I deem it a far superior piece of legislation than the Ways and Means Committee bill.

I firmly believe that the present bill should contain a provision for a representative advisory board, consisting of labor, industry, agriculture, and the public, concerning which the Ways and Means Committee is silent. The Dingell bill has just such a provision.

I also believe that all Federal workers should be included, many of whom are now employed in Government-owned plants. This provision is not in the House Ways and Means Committee bill, and the Dingell bill does include these workers.

It seems to me also that the committee bill is woefully lacking in not providing for a reasonable Federal compensation employment insurance. Justice Byrnes, presently head of the War Stabilization Board, strongly recommended before the Ways and Means Committee of the House that a uniform Federal standard of unemployment insurance of \$20 a week for a period of 26 weeks should be allowed. His advice was not followed, and the committee has made no provision whatever for any uniform Federal unemployment insurance. The Dingell bill contains such a provision.

I am not impressed with the arguments made on the floor that there will be no unemployment after the war. What a miracle this would be.

It must be remembered that at least 30,000,000 people will shift jobs in the reconversion period. This Nation cannot stand half of them or even a quarter of them unemployed. The only way to reduce our huge national debt is full production and full employment.

Under the Dingell bill safeguards are provided. A worker must be registered with Federal employment agencies and are not eligible for Federal unemployment insurance if they refuse to accept jobs.

It does not seem logical to me to have 48 States, Hawaii, Alaska, and Puerto Rico administering 51 unemployment-insurance laws, each providing for different amounts. This is what the com-

mittee bill provides for, and the Dingell bill is just the opposite.

This is not the way we sent our boys to war and our workers to our defense plants. Every post-war problem is a national problem. Unemployment insurance should be uniform, otherwise you will have thousands and thousands of workers shifting around to the States paying the higher unemployment insurance.

We were all in the war; we must all be in on the peace or our national economy may be shattered to its very foundation. This Nation will never decay as long as industry and agriculture are prosperous and our people are employed and their children fed.

(Mr. TOLAN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DEWEY].

Mr. DEWEY. Mr. Chairman, I listened with interest to what the distinguished gentleman from Michigan has just said, but I cannot let go unchallenged the statement that the Ways and Means Committee in its study of the rehabilitation and reconversion period has not taken into consideration the matter of unemployment.

The gentleman has referred to conditions in his own great State of Michigan, which has undoubtedly produced as much if not more war materials than any other State in the Union, even including the State of California and the State of Illinois. From what the gentleman stated, you would think that when the termination of contracts comes it will be a matter of indifference to the House and the provisions contained in the present bill reported by the Ways and Means Committee, what will become of workmen when they lose their jobs.

The gentleman must know well—it has been stated a number of times during the debate—that there are \$6,000,000,000 amassed in the different States to take care of unemployment.

In the gentleman's own State of Michigan under the State law that State is prepared to pay \$20 a week for 20 weeks in any year. The Dingell bill only asks for 26 weeks, and that puts the war worker on the same basis as the G. I. Joe's. I could not stand for that. Twenty dollars a week for 20 weeks is sufficient. The bill under consideration also provides that if the funds in the State of Michigan are not sufficient, then the Federal Treasury can step in and supplement them by advances and bring them up to the point where unemployment benefits can be fully paid.

In the State of California, another great war-production State, the weekly benefit is \$20 for 24 weeks in every year, only 2 weeks less than that asked in the Dingell bill. No, Mr. Chairman. The unemployment situation has been well considered in the bill reported by the Ways and Means Committee, the funds are adequate, and if not adequate under the reserves now built up the Federal Treasury can supplement them, so that unemployment will be taken care of as provided by each State.

Mr. MAGNUSON. Will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Washington.

Mr. MAGNUSON. My State is one of those States, but in order to be eligible for unemployment insurance in the State of Washington you must be a citizen of that State. Many of these war workers do not wish to relinquish their citizenship. They may have come from the gentleman's State.

Mr. DEWEY. It is my understanding that wherever a man works the unemployment insurance will apply. If he is a citizen of the State of Arkansas and is working in the State of Michigan he will get the benefits of the State of Michigan. There is an arrangement between the States so that no matter whether he goes back to Arkansas or not he will get the benefits of the State of Michigan.

Mr. MAGNUSON. We would have to change the State law in Washington to do that.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Chairman, it is my purpose to support the substitute offered by the gentleman from Michigan [Mr. DINGELL]. I feel that if we will pass liberal legislation to provide for a real program for war mobilization and reconversion we are in effect preventing another depression. If my thought is correct and we can prevent another depression then certainly there will be great savings to the Treasury of the United States in the end. I do not think that the bill reported by the committee is sufficient to meet the unemployment situation that will develop during the reconversion period. I do not know of a more important problem that will be confronting us in the future. I might also say that I see no reason why those in the Federal Government should not be covered under the provisions of this bill. I sincerely hope that the Dingell amendment will apply.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Chairman, the Committee is confronted at this time with a rather strange and unusual situation. We have now been presented with a substitute for a bill reported by a large majority of the Committee on Ways and Means after careful and thorough consideration. The committee bill contains about 15 pages. We are now asked to adopt a substitute bill containing 50 pages, on which there is no report. There is a full report on the committee bill. We are asked to set aside a bill reported by a large majority of the Committee on Ways and Means, which has been fully explained in the committee report. Every Member has had an opportunity to understand and know just

what is in the committee bill. We are asked to substitute therefor a bill which has been called the Dingell bill, but what, in reality, from what has occurred here today, I am constrained to believe is the Celler substitute rather than the Dingell substitute.

The author of the substitute confessed that he knew little about it. He also confessed to me this morning that there was some substantive matter in his substitute bill that was never presented or brought to the attention of the Committee on Ways and Means. What do you think about adopting a substitute of 50 pages which has never been considered by any committee? Complaint is made that the Committee on Ways and Means failed to conduct hearings. The author of this substitute never asked the Committee on Ways and Means to consider the substitute. I do not want to use the word "effrontery," but that is what it amounts to, or the next thing to it, to ask this House to adopt a substitute of 50 pages, much of it new matter, that has never been considered by any committee. There are not a dozen Members in this House who have ever read what is in the substitute. The author of the substitute himself confessed he did not know what was in it, and called on someone else to explain it. That is the most outstanding and unusual admission that I have ever heard of in my thirty-odd years of service in this House.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KNUTSON. Would it not be highly dangerous for this Committee to adopt the Dingell amendment? No one knows what is in the measure; not even the author.

Mr. DOUGHTON. They cannot know it. As chairman of the Committee on Ways and Means I do not know what is in it. I have not had an opportunity to find out what is in it. The author of it would not explain or attempt to explain it.

Mr. KNUTSON. The gentleman will admit that it is too big a dose to take on faith at one time.

Mr. DOUGHTON. I yield to no one in my sincere desire and anxiety to do everything that is reasonably possible to take care of the unemployment situation, but in my judgment, the proper way to take care of the matter is not at this time to dip into the Treasury, but to give incentive to industry to go ahead and employ the unemployed. We would prevent unemployment by giving incentive to industry rather than dipping into the Treasury for doles and creating idleness. That is what this substitute means.

The bill, as reported by the Ways and Means Committee, is as far as the Congress can wisely, properly, and safely go with the information at hand. Certainly, there will be an opportunity to plan wisely a public works program, if needed, to meet an extended period of unemployment. The unemployment compensation system was not created for the purposes set out in the Dingell bill.

The CHAIRMAN. All time has expired.

The question is on the substitute amendment offered by the gentleman from Michigan [Mr. DINGELL].

Mr. MICHENER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. Do I understand that if the amendment of the gentleman of Michigan [Mr. DINGELL] carries, we are practically through; that if this motion carries the House has adopted the Dingell substitute as the bill, and there will be no further discussion of the Dingell substitute, and no further explanation of its various complicated provisions; is that correct?

The CHAIRMAN. The statement of the gentleman from Michigan is correct.

The CHAIRMAN. The question is on the substitute amendment.

The question was taken; and on a division (demanded by Mr. EBERHARTER) there were—ayes 43, noes 138.

Mr. EBERHARTER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. EBERHARTER and Mr. DOUGHTON.

The Committee again divided and the tellers reported that there were—ayes 54, noes 188.

So the substitute amendment was rejected.

Mr. CELLER. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

At the bottom of page 28, insert a new subsection to be known as 1 (a), to read as follows:

"Issue such directives to other executive agencies as may be necessary to carry out their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of other executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the directives of the Director expeditiously and, to the extent necessary to carry out such directives, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities which are not within the scope of the powers possessed by the President or the executive agencies under existing law or future acts of the Congress."

Mr. CELLER. Mr. Chairman, I am not the author of this amendment. Senator GEORGE, of Georgia, is the author of this amendment. It appears on the bill before you at page 3, lines 12 to 24, and on page 4, lines 1 and 2. The language was stricken out by the Committee on Ways and Means. Why they did so is beyond my comprehension. The Director of War Mobilization and Reconversion under the language of the Ways and Means Committee version, is a mere figment of the imagination. He has no power of any consequence. There is no unification so that all the war agencies will be sprawling all over, issuing directives in all directions. The War Manpower Commission, the Social Security Board, the War Production Board, the Smaller War Plants Corporation, the Office of Price Administration, the Foreign Economic Administration, the De-

fense Plant Corporation and all the other war agencies are permitted, without let or hindrance, to issue their directives, independent of the office that we set up here under this bill. There is no centralization of authority. There is no opportunity granted to the Director to remove bottlenecks. He cannot cancel out any directives of other war agencies that unduly interfere with his work. If he acts at all it will only be to create more confusion. Now it is essential to get an amendment of the type of this George amendment giving the strongest power to this Director to wipe out and cancel out any orders issued by any of the war agencies that impede the carrying out of the objectives of the act. It avails us naught to put in as a director a man with courage, a man with guts, if we only give him a paper sword. That is what we do without my amendment.

All you give him by the Ways and Means Committee version is words. It is like the story of Sancho Panza in Don Quixote. There was placed before him wines, fruit, and other viands, and when he started to partake thereof it was taken away from him. All you give this director is words and not substance. When he tries to avail himself of any substance it is taken away from him.

It is very strange that the Ways and Means Committee report quoted favorably the recommendations of the House Committee on Post-war Economic Policy and Planning. That committee said that there should be one centralized authority, the director of war mobilization. There must be one authority. I will read from the report of the House Committee on Post-war Economic Policy and Planning:

There must be one authority which can coordinate the work of the agencies engaged in these problems of reconversion—settlement of contracts, disposal of surplus property, policies relating to curtailment of war production and resumption of civilian production, facilitating reemployment, continuation or relaxation of wartime controls and many other problems. This was one of the principal recommendations of the Baruch-Hancock report.

The Director would be charged with the formulation of over-all policies necessary to bring about the transition from war to peace and with the responsibility of seeing that these policies are carried out by the agencies.

The Director shall formulate plans necessary to meet the problems arising out of the transition from war to peace; issue directives to executive agencies to carry out their powers in a manner consistent with these plans and coordinate the activities of the agencies. He would recommend to Congress legislation needed to provide authority to carry out the plans. The Director would promote and assist in development of demobilization and reconversion plans for the agencies, keep the various agencies informed of the plans of other agencies, and settle any controversies which might develop between them in the development or administration of plans.

In carrying out his functions, it is recommended that he consult and cooperate with the State and local governments, industry, labor, and agriculture.

The Director would establish policies to be followed by the agencies in selecting the contracts for curtailment or termination. He would establish policies providing for full and prompt consultation between agencies

and the war contractors and representatives of the employees of war contractors to obtain the most effective use of nonwar production facilities and manpower released through the curtailments of war production.

How can he coordinate? How in thunder can he settle controversies of that character unless you give him power? The Ways and Means Committee version, for reasons beyond my comprehension, does not give him that ample power. The George amendment—my amendment—gives that power. We should reinstate those powers.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(Mr. DOUGHTON asked and was granted permission to revise and extend his remarks.)

Mr. DISNEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is settled completely in the bill before us. If you will turn to page 28 you will find the following language:

In addition to powers which the President is authorized to and does delegate to the Director for the purpose of more effectively coordinating the mobilization of the Nation for war, the Director shall, subject to the direction of the President—

And then on page 29 you will find this:

(4) Promote and assist in the development of demobilization and reconversion plans by other executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between such executive agencies in the development and administration of such plans;

The language is plain. Now, do we need more than one man in an executive department issuing directives? The President is the proper authority to do that, in my humble judgment, and when we start giving authority to administrators and other directors to issue directives to other parts of an executive department, I think we get into an unusual type of performance.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. CELLER. Does the gentleman think it is fair to put these additional burdens on the President?

Mr. DISNEY. We put them on the Director. We tell him to settle controversies between other agencies.

Mr. CELLER. He cannot change the directors of other agencies.

Mr. DISNEY. What plainer language can we use than we did use, namely, to say: "You settle this controversy between DOUGHTON and KNUTSON; go settle it." What greater authority could we give a person than that? What greater grant of jurisdiction could a court be given than that?

Mr. CELLER. The mere fact that you struck out the George provision is an indication that you do not want him to have that power.

Mr. DISNEY. This is not the only George provision that we struck out. There were remnants of the Kilgore bill all through it, as it came to the committee, which we struck out.

Mr. CELLER. But how can he exercise that power over these other agencies?

Mr. DISNEY. How can we state it more specifically than to say he is to settle all the controversies between the other agencies? I submit that under any construction of the English language that is what it does mean.

Mr. CELLER. You say: "the President shall have the power to do it"; you do not say the Director; it is up to the President to direct the Director.

Mr. DISNEY. Oh, no; he is given this authority under the fourth subsection, subsection (c). He is specifically given the authority first to promote the plans and second to settle differences between them. This proposed amendment is mere verbiage.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. EBERHARTER. It is the gentleman's contention that the word "settle" gives to this Director the authority to make these different agencies comply with whatever he decides shall be done; is that correct?

Mr. DISNEY. I do not know any other construction that can be placed on it. If a controversy over a plan arises between different agencies of the Government he has the right to settle it. Is not that the kind of jurisdiction that is given a court?

Mr. EBERHARTER. Any person who has jurisdiction also has the power to enforce his judgment and the decision that is made; but my contention is that this does not give the power to enforce the decision which he might make in arriving at what is a proper settlement.

Mr. DISNEY. I think we just disagree on the meaning of the English language.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. JENKINS. Is it not true that in the committee every effort was made to aid the Administrator by giving him smooth, full, complete authority?

Mr. DISNEY. It was attempted to give him liberal authority.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. REED of New York. Just one word of warning. That with this power they might be able to issue directives against the public.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was rejected.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to call the attention of the gentleman from North Carolina [Mr. DOUGHTON] to a certain feature of the bill. I notice under the provisions of the bill the committee is anticipating the passage of the Surplus Property Act of 1944. Am I correct in my understanding of the provisions of paragraph 2 on page 29 that if the Surplus Property Act does become effective in 1944 that nothing in this bill will set aside the objectives that might be named in the Surplus Property Act?

Mr. DOUGHTON. I may say to my distinguished friend that there is nothing in it that conflicts; there is not a thing that would disturb that bill in the least.

Mr. COCHRAN. Mr. Chairman, I yield back the balance of my time.

Mr. WASIELEWSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WASIELEWSKI: Page 31, after line 16, insert a new section as follows:

"SEC. 102. (a) There is hereby created an advisory board, which shall consist of 12 members who shall be appointed by the President by and with the advice and consent of the Senate. All of the members of the Board, shall represent the general public and the public interest, but in order that the Board may have the benefit of experience in the matters with which it will deal under this act, three members of the Board shall have had experience in business management, three members shall have had experience in matters relating to labor, and three members shall have had experience in agriculture. The President shall designate one of the remaining three members as chairman of the Board.

"(b) It shall be the general function of the Board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary.

"(c) Members of the Board shall receive a per diem allowance of \$25 for each day spent in actual meetings of the Board or at conferences held upon the call of the Director, plus necessary traveling and other expenses incurred while so engaged."

Mr. WASIELEWSKI. Mr. Chairman, this section was recommended by the Colmer committee and was quite fully discussed by me yesterday in the course of my remarks. The advisory committee as set forth in the amendment has a number of virtues which will be quite helpful to the fulfillment of the purposes of this act.

Mr. COOPER. Will the gentleman yield?

Mr. WASIELEWSKI. I yield to the gentleman from Tennessee.

Mr. COOPER. May I say to the gentleman that this was presented by the Committee on Post-war Economic Policy and Planning and, as I have the honor of being a member of that committee, it is, in my opinion, in the interest of business in this country to have an advisory committee to assist and counsel the Director in carrying out these very important duties that are imposed upon him.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. WASIELEWSKI. I yield to the gentleman from California.

Mr. VOORHIS of California. I agree heartily with what the gentleman from Tennessee [Mr. COOPER] has said, and may I ask the gentleman whether it is not true this amendment will primarily seek to get this job just a little bit closer to the American people and whether or not such an advisory committee would not itself be able to bring to the Director the opinions and feelings of people throughout the country in order that his work might reflect better the desires of the people as a whole.

Mr. WASIELEWSKI. I am in whole hearted agreement with the statement of the gentleman from California.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. WASIELEWSKI].

The question was taken; and on a division (demanded by Mr. COOPER) there were—ayes 72, noes 26.

So the amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the CONGRESSIONAL RECORD of August 28, page 7441, there is a statement by the gentleman from New York [Mr. CELLER] which should not go unnoticed or unchallenged. He made the statement that after computing certain assets which he claims we have, it leaves a temporary national debt of only \$85,000,000,000.

The Treasury statement as of today shows the gross debt to be \$211,098,944,-067.83.

The gentleman from New York [Mr. CELLER] is apparently confused as to the nature of the public debt and the relationship it bears to our public assets. These assets in large measure are not available to repay the indebtedness represented by the figure of \$210,000,000,000, as he says, or \$211,000,000,000 as shown by the Treasury statement. At best they are only part of the security, if we can call it that, behind the obligations of the Government. The credit of the entire country, of every firm and individual, along with certain tangible Government assets is also a part of the security behind the Government's obligations. The ability of the American people to work, manufacture, construct, and produce is also an asset which, of course, according to Mr. CELLER's theory, should be used to offset the national debt. But these things are not tangible. They do not constitute available assets.

We cannot say that all of these assets, so-called, therefore, when totaled up, exceed the amount of our interest-bearing debt, and we therefore have no such debt. By placing a mortgage of \$1,000 on my home which is valued at perhaps \$5,000, can it be argued that I have no net debt on my home? It seems to me rather absurd to indicate that we do not owe this debt, and that we do not have to pay it because of these intangible offsetting assets. Mere ability to pay a debt certainly does not discharge the obligation and for that reason cannot be set up as an offset against indebtedness. The offsetting assets which he claims we have and which reduce the debt from two hundred and eleven billion dollars to eighty-five billion dollars among others are \$20,000,-

000,000 of cash on hand, which is deposited with banks and owned by the Treasury. Of course, this money is not available. This money is in the bond accounts of the banks. It represents receipts from the sale of Government bonds and is held by the banks for the account of the Government. If we could imagine the liquidation of the Federal Government as of today, that it was not going to cost us anything tomorrow or next week or next year or maybe 20 years from now to run the Federal establishment, then we could correctly use that money as an offsetting asset. However, we are not going to close up business in this country today or tomorrow or next day or next year; so those assets are not available as a credit against the national debt.

This money will be withdrawn from the banks by the Government to meet obligations which have already been committed and which are maturing from day to day.

He also says there are \$75,000,000,000 worth of war plants' equipment and supplies. Most of these war plants have been purchased or constructed by the Defense Plant Corporation and have been paid for out of moneys raised by the Reconstruction Finance Corporation through the sale of its bonds and debentures. If the gentleman from New York [Mr. CELLER] is going to use those factories and plants as assets chargeable against the gross national debt, then, of course, he must take into consideration in computing the gross national debt the contingent liability of the Reconstruction Finance Corporation and all of the other corporations, which probably might total fifty to seventy-five billion dollars. So, if he computes those as assets, of course he must accept the liabilities which made those assets possible, which are the bonds, debentures, and notes which have been issued by the Reconstruction Finance Corporation and all of the subsidiary corporations. He does not do that, and so, of course, these plants are not assets to be credited against the gross national debt.

Mr. CASE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, if I may have the attention of the chairman of the Committee on Ways and Means, I would like to ask for a statement on the thought of the committee with respect to subparagraph 6 appearing on page 30 which reads:

Institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable.

I have been hopeful that at the earliest date possible the agencies that deal with manpower would be restricted from prescribing for any individual the employer for whom he should work, and would leave that individual free to work for whomever he pleased if the employer wanted to employ him.

May I ask the chairman or the members of the committee what their intent is by instituting this study, whether they

expect to perpetuate the present manpower agencies with their directives to employers and to potential employees as to where and for whom they shall work. The other day the American Legion in the State of Nebraska, at Omaha, adopted a resolution memorializing Congress to make it possible for any honorably discharged veteran to go to work for whomever he wants to work if that employer wants him to work for him. Today, under the regulations put forward by the War Manpower Commission, there are restrictions on an employer's employing individuals, whether veterans or otherwise, and there are also restrictions on the individual as to where he can work and for whom he may work.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. CASE. I yield to the gentleman from Tennessee.

Mr. COOPER. This provision was given very careful consideration by the Committee on Post-war Economic Policy and Planning and by a subcommittee of that committee, of which I had the honor to be chairman. It was also given careful consideration by the Committee on Ways and Means. It would be difficult for us to see how it could be made much plainer than the language as carried in the bill.

That statement might be supplemented by saying to the gentleman that the only purpose of this provision is to coordinate the activities of the different agencies having to do with these subject matters. It is not intended that any additional authority or any additional power will be conferred by this provision, except for the purpose of consolidating these agencies and coordinating their activities. The agencies involved would include, for instance, the National War Labor Board, the War Manpower Commission, the National Labor Relations Board, and the Labor Department. In other words, this Director is here charged with the responsibility of working out plans to be submitted to the President and to the Congress for the coordination of the activities of these different agencies.

Mr. CASE. The gentleman speaks of consolidation of agencies and coordination of activities. In many cases I trust that will mean termination for both. Speaking for myself, I hope that, in addition to bringing together and coordinating manpower agency activities, the program recommended will make it possible for an individual in this country to work for any employer he wants to work for if that employer wants to employ him.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all debate on title I and all amendments thereto close in not to exceed 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. MORRISON].

Mr. MORRISON of North Carolina. Mr. Chairman, it is, of course, important that we consider the indebtedness of this

country in our action upon all bills carrying appropriations.

I hope the gentleman from New York is right in the comforting words he gave us about a way that the debt will and should be reduced. However that may be, there is another phase of this question that we should consider in all of these appropriations, to wit, taxation. Yesterday I made a slight reference to it in my limited remarks, but I want you to think a minute. The States levy taxes in this country, the counties levy taxes, the towns and cities levy taxes, and much of the property in this country is taxed for local purposes more than it yields to the owner. In a great many instances stocks and bonds, real estate, and various properties that are not liberal rent or profit bearers, pay huge, local taxes. Then when we get to the national revenue law, whatever is left, as I told you yesterday, is necessarily taxed very heavily to meet our past responsibilities and difficulties.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of North Carolina. I yield.

Mr. MAY. I would like to suggest to the gentleman that in the enumeration of the things which are taxed and the number of authorities which tax them, in addition to what the gentleman called attention to, all franchises and all public service corporations pay a State tax.

Mr. MORRISON of North Carolina. Absolutely, every manner of tax is imposed. The tax writers and authorities of all our great universities have been studying and every way to get money out of the people has been adopted in either the States or localities or by the Federal Government. Why, there is no other way. And who pays this tax? A great many people who have not benefited one bit in the world by the war, people of fixed income, people who are engaged in vocations that the war has not helped one bit in their salaries are taxed and the boys who answered the drum taps and march under the flag, who are keeping the flag of liberty in the skies, are also taxed. We called on them to answer the call of the flag and sent them away to die for our country and when they do die we practically confiscate their estate, and that is done by the country for which they have died. Why? It has been necessary to do it. I am ready to meet in debate on the stump anywhere, any assailant of the justice and necessity of this great, expensive, program. But I hope day is breaking for the taxpayers of this country. We not only ought to so legislate as to avoid increasing taxation, Mr. Chairman, but we ought, if possible, to legislate so it can be reduced and rapidly reduced. Oh, yes, we talk about the boys in the Army, as if they did not pay taxes. Every well-to-do young man in this country is under the flag. Every heir to all the property in this country, of male persuasion, and many of the daughters, are under the flag. The tax bears on everybody, everywhere, and we hear no thought and no particular expression of desire to reduce it. We seem to assume, if we can prevent raising it we are doing well. You can do nothing for the prosperity of

the people of this country, nothing, that will equal a reduction of the taxation which is breaking the back of the people of this country. I tell you that we are not far from the line where values will commence to topple and perish, because this Government has taxed the owner of property, the earner of the salaries, and incomes, so much that the property from which it comes has ceased to be valuable. They are trying to give away great properties all over the country because such properties will not yield the tax imposed on it.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CLASON] is recognized.

(Mr. CLASON asked and was granted permission to revise and extend his remarks.)

Mr. CLASON. Mr. Chairman, I move to strike out the last word.

At this point in the bill which has been under discussion I wish to call attention to the fact that the Director is not ordered or directed to report shortly on the need for unemployment compensation for Federal employees. This bill makes no due provision, in my opinion, for the proper protection of Federal employees. I feel that if this bill is to be passed without any reference whatsoever to Federal employees, someone should offer an amendment at some point which will protect those employees, even to the extent of returning to section 403 of the Senate bill.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. FORAND. When we reach that point I have an amendment that will reinstate section 403 of the George bill.

Mr. CLASON. If the gentleman, a member of the Ways and Means Committee, had not decided to offer the amendment I would state that I would do so. I am very glad to assure the gentleman I will support his amendment when it is offered.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. KEEFE. May I say I discussed that matter quite thoroughly yesterday and I also have an amendment at the Clerk's desk which goes a slight bit further than the amendment proposed by the gentleman from Rhode Island.

Mr. CLASON. I heard the very able speech of the gentleman from Wisconsin, yesterday. I understood it went further than the Senate amendment. I certainly hope that some amendment in one form or another will be adopted. I think all Federal employees should be given proper consideration in this legislation.

I think there is a great deal of misunderstanding about the pay which has been received by Federal employees, particularly those in arsenals. Those employees have not received the same amount in wages as employees in similar industries in the same area during the present war. When the President put into effect his order which froze wages it caught the employees in the Federal arsenals. In other words, they depend for the amount of their wages

upon wage surveys which are provided under the Federal method of determining wages for such employees.

It so happens that in Springfield, wage surveys were conducted. They showed that certain employees, many hundreds of them, in the Springfield Armory, were entitled to increases in wages to bring them up to the average—not to the highest, but to the average wage of persons engaged in similar lines of work in our area, which includes Hartford, Conn., and on up into Vermont.

When it came time to put into effect the wage survey schedules the War Department was advised that it could not be done; that because of the freeze order of the Executive, the employees at the armory could not expect any higher wages after that order went into effect. Therefore, they have been working at lower than the average wage received by persons in private industry. Undoubtedly that is true throughout the United States.

In addition to that, what do these people get when they leave the armory? We hope, and they hope, that the war will be over soon. Thousands of them will leave before they have been in the civil service for 5 years. As a result, they are not expecting to receive retirement pay when they have finished. In other words, the War Department will tell them they can have back the amount that has been deducted from their wages for that purpose. The time when they are going to need that money is when they are out of employment. But do they get it at once? Of course they do not, because the Federal Government, through its red tape and through the number of agencies involved, never gets around to giving them back their retirement pay. Some of them wait 6 months, some of them 8 months, some of them a year, some of them a year and half before they get back their retirement pay. If unemployment compensation is going to mean anything to employees in private industry, the same or similar advantages should be granted to Federal employees who have given equally fine service during this terrible war.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COOPER. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. COOPER. Mr. Chairman, I yield back the balance of the time and ask that the Clerk read.

The Clerk read as follows:

TITLE II—INDUSTRIAL DEMOBILIZATION AND RECONVERSION

SEC. 201. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war.

SEC. 202. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prose-

cution of the war, of production for nonwar use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

(b) the executive agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

(c) the Director shall—

(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

(2) establish policies providing for full and prompt consultation between the executive agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or termination of war contracts.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: Page 33, line 15, add the following:

"3. Establish policies which will take into account particular present and future problems of specific areas and geographic regions of the country."

Mr. VOORHIS of California. Mr. Chairman, in offering this amendment let me say it is my very sincere belief that the committee reporting the bill intended that the very thing be done which my amendment specifically directs the Director to do. I wish the membership of the House, however, would place themselves in the position for five short moments of a person from the Pacific coast.

Everyone anticipates that the war against Germany will be concluded before the war against Japan. In that interim period we on the Pacific coast will obviously be called upon to be not only the area through which practically all of the war supplies for continuing war will flow but also the area above all where the heaviest strain upon war production will be placed. We therefore are confronted with the very real danger that a considerable portion of the balance of the country will have an opportunity for reconversion before our industries. The west coast is more heavily weighted with war production than any other portion of this Nation. We have a higher percentage of people in aircraft, shipbuilding, and other types of industry which everybody knows are not going to be able to continue on anything like their present

scale after the war is over. At the same time certain policies pursued by some of the governmental agencies work very much to our disadvantage. Some of us believe that our small manufacturers are being denied the opportunity to reengage in civilian production, even to produce those civilian goods which would be consumed right on the Pacific coast to a great extent. We believe we ought to be able to produce the civilian goods that we need right there instead of shipping them in from some other part of the country.

We also conceive that unless wise policies are pursued from an area standpoint our future may be very seriously affected. All my amendment asks is that the Director shall be called upon in establishing his policy to take into account the particular problems of specific areas and geographical regions in the country. It is not limited to my region. It affects all regions. We only ask in determining these reconversion policies that regional problems shall be considered.

Mr. Chairman, the regional problem on the Pacific coast is a very, very important one.

Mr. COOPER. Will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Tennessee.

Mr. COOPER. I am trying to understand the purpose to be accomplished by the gentleman's amendment. In the formulation of policies by the Director the gentleman, as I understand it, wants him to take into consideration the problems affecting certain regions and localities throughout the country?

Mr. VOORHIS of California. That is correct; to take into account the future problems of a given region if a determination is to be made in regard to resumption of civilian production or a cut-back or something of that kind, to try to view the matter not only from a national standpoint but in determining the policies with regard to this thing to determine them with regard to how they are going to affect a given region as well as the Nation as a whole. As I said in the beginning, it is my belief the committee intended that to be done. All I want to do is to make it absolutely certain.

Mr. COOPER. Does not the gentleman think in the discharge of the duties we impose upon the Director, he would naturally consider all sections and parts of the country?

Mr. VOORHIS of California. I think so, but I would like to be doubly certain on that and I would like to have us do something in the bill that we can point to in that regard.

Mr. SHEPPARD. Will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from California.

Mr. SHEPPARD. In response to the interrogation of the gentleman from Tennessee [Mr. COOPER], our past experiences have not been indicative of that interest.

Mr. VOORHIS of California. In many instances I regret to say that is true.

Mr. DOUGHTON. Will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. Under the broad powers of the bill the gentleman is referring to, if the Director did not take into consideration any such situation why he would not be qualified to be a Director. It would be a reflection on him. We give him all the broad powers that are necessary. Now, when you talk about localizing every local problem that might come along, if we localize the Pacific coast we have to localize the Atlantic coast, the Mississippi Valley, and everywhere else.

Mr. VOORHIS of California. No. My amendment is not limited to the Pacific coast at all.

Mr. DOUGHTON. Are there not broad powers in the bill?

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California [Mr. VOORHIS].

Mr. Chairman, there is nothing basically wrong with the amendment offered by the gentleman from California but it is superfluous. I call his attention to subsection 7 on page 30, which reads as follows:

Consult and cooperate with State and local governments, industry, labor, agriculture, and other groups both national and local, concerning the problems arising out of the transition from war to peace.

Consult on what? On local problems. You can read in between the lines "in that particular area" because it directly and specifically charges the men who are to do this work with cooperating, and, of course, that means to consult with and to consider local interests and problems.

I do not see any objection to the gentleman's amendment, but, really, in view of subsection 7 which completely covers what the gentleman seeks to accomplish, I do not see the necessity for his amendment.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from California.

Mr. VOORHIS of California. Would the gentleman be willing to state that he believes it to be the intention of the committee that the thing I am seeking to accomplish by the amendment is supposed to be done by the Director?

Mr. KNUTSON. I will so state without equivocation or reservation.

Mr. VOORHIS of California. Does the chairman of the committee agree that that is the committee's intention, and also the intention of the House, if the bill is passed in its present form, for the Director to take into account the problems that I spoke of?

Mr. DOUGHTON. I do not think there is any question about it.

Mr. VOORHIS of California. Under those circumstances, Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of Connecticut. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Connecticut: Page 31, line 24, after the comma, strike out the balance of the line and line 25.

[Mr. MILLER of Connecticut addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was rejected.

The Clerk read as follows:

SEC. 203. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by any executive agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) Whenever such executive agency allocates available materials for the production of any item or group of items for nonwar use, it shall make available a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation and shall be fair and equitable.

(c) In allocating the materials thus set aside among such small plants, such executive agency shall establish criteria, standards, quotas, schedules, or other conditioning factors after consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such executive agency shall allocate such materials directly to such small plants and shall, to the fullest extent practicable, provide for making such allocations through local offices easily accessible to such small plants. For the purposes of this title, a small plant means any small business concern engaged primarily in production or manufacturing either employing 250 wage earners or less, or coming within such other categories as may be established by the head of such executive agency in consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such other categories shall be defined by taking into consideration the comparative sizes of establishments in a particular industry as reflected by sales volumes, quantities of materials consumed, capital investments, or by other criteria which are reasonably attributable to small plants rather than medium or large-size plants.

Mr. LAFOLLETTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAFOLLETTE: Strike out all of section 203 following the word "production" on page 33, line 23, down to and including the word "plants" on page 35, line 4, and insert in lieu thereof the following:

"(b) There is hereby created in the Office of War Mobilization and Reconversion a Board of Appeals to consist of three members, only two members of which shall be of the same political party, appointed by the President by and with the advice and consent of the Senate, each of whom shall receive compensation at the rate of \$8,000 per year, and shall serve for a term of 2 years. When

any person is aggrieved by the action of any such Government agency referred to in subsection (a) in allocating available materials for the production of any item or group of items for nonwar use, such person shall, upon application therefor under such regulations as the Director may prescribe, be afforded an opportunity forthwith to present his views thereon at a hearing before the Board of Appeals. If, at such hearing, such person establishes to the satisfaction of the Board of Appeals that as a result of such action his business operations will be seriously interfered with or substantially curtailed because of a shortage of any material necessary to such operations, that his inability to continue business operations will result in a serious unemployment problem for his employees, or that the interests of the consumers of the articles produced or manufactured by such person will be substantially impaired, the Board of Appeals shall make an immediate report thereon to the Director. Thereupon the Director shall allocate to such person such amounts of the material with respect to which the shortage exists as in his judgment will be necessary to prevent substantial hardship to such person, his employees, or consumers."

Mr. LAFOLLETTE. Mr. Chairman, this amendment seeks to substitute for the language on pages 33 to 35 of the bill the language found on page 11 of the Senate bill, which was stricken out, beginning at line 12. The only change is that I provide a board of three members, of which not more than two shall be members of the same political party. Historically this was what was known as the O'Mahoney amendment. In the other body it was accepted by both extreme groups as a proper amendment. The purpose, of course, is to protect primarily small war plants in the allotment of critical materials in this reconversion program. I am aware of the fact, and it has been pointed out to me by members of the committee, that the committee, on pages 33 and 34, attempted to use language which was quite broad, to see that this was fairly done. But there is in my mind a very solid and firm theory and principle of government involved here, which I think we should uphold, and that is that no person should be entitled to review his own acts.

It is true they say there is a board in the W. P. B. to allot material. I know, and I can give the Members of this House some very extreme examples, where small business people in my community have asked for critical material in order to compete with a branch of a monopolistic outfit making the same material and the curtailment was so drastic against that small individual firm or business, that it would make your eyes pop out. That is what I am afraid will happen during reconversion if you continue to let the same people review the allotments of materials who make such allotments. Why should we not have a separate board to which the small businessman or large businessman, can go whose competitor happens to be sitting in on the W. P. B., so that the man not represented on the board can get an impartial body to hear his complaint, that there has been an unfair or unjust allotment of critical material?

In very great deference to the committee, I point out there was no opposition to this amendment in the other body

and if anyone here is interested in small business, if anyone here is interested in seeing that an equitable allotment is made, with a right to appeal to an independent board against inequitable allotments, I feel sure that they will find it not only possible, but urgent to support this amendment.

I wish to include as part of my remarks the following letter from Mr. Maury Maverick, Chairman and General Manager, Smaller War Plants Corporation:

AUGUST 30, 1944.

The Honorable CHARLES M. LAFOLLETTE,
House of Representatives.

DEAR CONGRESSMAN: Concerning your discussion with me about my having expressed opposition to the O'Mahoney amendment which provides a board of appeals. I had not, as a matter of fact, expressed my opinion in connection with this, but I have no reason to be opposed to it.

The Congress of the United States, in my opinion—and this is a nonpartisan opinion based on legislative experience—should, as a matter of fact, set down policies in some detail. When such policies provide for appeals procedures for citizens or give them more opportunities to get hearings, it would seem to be advisable to set it up.

Sincerely yours,

MAURY MAVERICK,
Chairman and General Manager.

(Mr. LAFOLLETTE asked and received permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I rise in opposition to the amendment, but only to detain the Committee long enough to state that the Committee on Post-war Economic Policy and Planning reached the very definite conclusion that this amendment was certainly not desirable. The Committee on Ways and Means reached the conclusion that such an amendment would do more harm than good. Ample protection is provided here for the small plants throughout the country. If there is any one thing that the Committee on Post-war Economic Policy and Planning as well as the Committee on Ways and Means, has exerted every effort possible to safeguard and protect, it is the interest and welfare of the small plants throughout the country. Justice Byrnes appeared before us and advised very strongly against any such provision as this. The general counsel of the War Production Board advised very strongly against the inclusion of any such provision as this. This amendment was put in on the floor of the Senate without the consideration of the committee and came into the bill as a floor amendment in the Senate. Certainly there is no reason for providing three jobs at \$8,000 each to do something that is already being done and being done perhaps in a more efficient and more satisfactory way than it would be done under this proposal. So I ask that the amendment be voted down.

Mr. LAFOLLETTE. Will the gentleman yield?

Mr. COOPER. I yield.

Mr. LAFOLLETTE. There is no court appeal provided under this act or any other reconversion act, is there? There is no appeal to any court?

Mr. COOPER. There is an appeal board now existing in the War Produc-

tion Board, that is functioning for the very purpose that is pointed out by the gentleman from Indiana.

Mr. LAFOLLETTE. Pardon me, but I do not believe the gentleman has answered categorically. There is no appeal to any court.

Mr. COOPER. And the gentleman's amendment could only result in confusion and delegation of authority to another agency that has already been performed by an existing agency.

Mr. LAFOLLETTE. There is no appeal to any court under any of these provisions? No court appeal?

Mr. COOPER. Neither does the gentleman's amendment provide for an appeal to a court.

Mr. LAFOLLETTE. Exactly. That is why I think the gentleman's amendment is necessary.

Mr. COOPER. The gentleman's amendment is not necessary. There is an appeal board functioning now, that takes care of all of these questions. It is doing it in an efficient, satisfactory manner, and there is no occasion for setting up another board of three men at \$8,000 a year each, to do something that is already being done.

Mr. KNUTSON. Will the gentleman yield?

Mr. COOPER. I yield.

Mr. KNUTSON. When we had this matter before the committee we said we would discuss it further in conference, did we not?

Mr. COOPER. The gentleman is correct. It is already in the Senate bill.

Mr. KNUTSON. And it has not been disposed of finally, at all.

Mr. COOPER. The gentleman is correct.

Mr. CASE. Will the gentleman yield?

Mr. COOPER. I yield.

Mr. CASE. This section defines small business as being those which employ 250 or less. Would a firm which has customarily been employing from 300 to 500 be entitled to the benefits guaranteed to a plant employing less than 250, if it wanted to operate on that curtailed basis?

Mr. COOPER. I hope the distinguished gentleman will not stop reading at that point. Will he go on and read the balance of it? If you can think of anything else that could possibly be included to take care of small business, you will be doing better than your Post-war Planning Committee could do, or the Committee on Ways and Means. We covered it all.

Mr. CASE. I want to take care of two businesses that I have in mind that have been employing about 300 people. Could they restrict themselves to the employment of 250 people and be entitled to the benefits that you guarantee the employer of 250 or less?

Mr. COOPER. They would not have to restrict themselves. They might well come under other provisions. For the purpose of this title, a small plant means any small business concern engaged primarily in production or manufacturing, employing 250 wage earners or less, or coming within such other categories as may be established by the head of such executive agency in consultation with

the chairman of the board of directors of the Smaller War Plants Corporation.

Mr. CASE. Is it the gentleman's opinion that the word "production" includes mining?

Mr. COOPER. I would certainly think so; yes.

Mr. CASE. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. LAFOLLETTE].

The question was taken; and on a division (demanded by Mr. LAFOLLETTE) there were—ayes 20, noes 58.

So the amendment was rejected.

Mr. EBERHARTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EBERHARTER: Page 35, after line 4, insert the following new section:

"Sec. 305. The Administrator upon application may provide transportation, including transportation of dependents and household effects for civilian workers who have been employed in activities essential to the war effort, from the place of such employment to the location of their bona fide residence within the continental United States prior to their migration to war employment, or, at the election of such worker, to any other location of available employment arranged by the worker: *Provided*, That the cost of such transportation shall not exceed \$200 for any one worker, his dependents, and household effects, and shall not exceed the amount allowable for civilian employees of the several departments and independent establishments of the Federal Government by law and in the standard Government travel regulations, except that within the limitations of this section the fare of dependents may be paid: *Provided further*, That under this section no civilian worker shall be furnished travel allowance more than once."

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. EBERHARTER. Mr. Chairman, I may say at the beginning—

Mr. COOPER. Mr. Chairman, will the gentleman yield for information?

Mr. EBERHARTER. I shall be pleased to yield.

Mr. COOPER. The gentleman's amendment seeks to restore the provisions of title III of the Senate bill with respect to travel pay for workers, except the \$200 limitation contained in the Senate provision is not included in the gentleman's amendment.

Mr. EBERHARTER. The \$200 limitation is included in my amendment.

Mr. COOPER. I am sorry; I did not understand so from the reading.

Mr. EBERHARTER. Yes; it is included. I read:

Provided, That the cost of such transportation shall not exceed \$200 for any one worker, his dependents and household effects.

It also contains the following limitation:

It shall not exceed the amount allowable to civilian employees of the several departments and independent establishments of the Federal Government by law and in the standard Government travel regulations.

That is in the amendment. For the information of the Committee I may say that I have also included a further proviso that under this section no civilian

war worker shall be furnished travel allowance more than once.

So that is a further limitation.

As was mentioned by the gentleman from Tennessee this provision was in the so-called George bill when it came to the House and was before our Committee on Ways and Means. I have however, changed the language to conform to language suggested by General Hines, Administrator of Veterans' Affairs. General Hines made one or two changes in the actual language which really have no effect so far as I can see, on the intent of the provision as it passed the Senate.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. Gladly.

Mr. VOORHIS of California. The question I want to ask has to do with making this reconversion job an effective one. Let us assume that I am a man who has been working in a war job and that the gentleman from Pennsylvania is the head of a United States Employment Service office. I come in and say: "I am unemployed and am about to apply for unemployment compensation." The gentleman tells me: "There is a job over here at such and such a place." I say: "But I have no funds to get there."

If the gentleman's amendment be adopted he can then turn to me and say: "Oh, yes you have, and you cannot get unemployment compensation because there is a job for you elsewhere and our task is to get you there. You can have that job."

If the gentleman's amendment be not adopted what happens at that point?

Mr. EBERHARTER. Then at that point the unemployed war worker would stay on the unemployment compensation rolls and would increase the cost of unemployment compensation the States will be forced to pay. I may say for the benefit of the committee that this proviso has the unqualified approval of Justice Byrnes, it has the approval of General Hines, and I believe it is a very worthwhile proviso.

What is going to happen, Mr. Chairman, when the shut-down comes in these various war centers, these centers of munitions production, these centers of steel production and in all of these centers where there will be an overconcentration of employees? The result will be that the former employees in war work will go on the compensation rolls. They will not go back to their homes unless they have some incentive to do so. This will create quite a social problem in these war centers which are overcrowded now. These war workers will have no means of getting home, and, as stated by the gentleman from California, they will sit by and stay on the unemployment compensation rolls. This will contribute, in my opinion, to a housing problem, it will contribute to slum conditions, if these former well-paid war workers are not furnished some incentive to go back to the home from which they came prior to their migration. It is going to be said, Mr. Chairman, that we do not know how much this will cost.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EBERHARTER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Chairman, aside from the problem which will occur in the war centers, there are many sections of the country where these people migrated from, that will really need them back, the farm sections, the Corn Belt and the Cotton Belt. These employees will never get work except perhaps work on a farm or work in some of the small towns. They are not going back to the farm unless they have some incentive to do so. Anything done to get them back to their homes or on another job will contribute greatly to the stabilization that is so necessary in the reconversion period.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Nebraska.

Mr. STEFAN. How did the gentleman arrive at the maximum of \$200?

Mr. EBERHARTER. It was felt that \$200 would pay the cost, if a person had to travel with his family quite a distance across the country and also transport his household effects.

Mr. STEFAN. Of course, we now furnish transportation for household goods to families in the Foreign Service and some of our other agencies in the Government. They would not be covered by this. Their experience is that \$200 is too low.

Mr. EBERHARTER. The gentleman says the experience is that this is a pretty low amount? It is a very low amount. When the Government has an employee and shifts him from one city to another city, under the Federal law now the Government stands that expense. So this would not be creating something new; \$200 is the limit. I would not want the members of this Committee to get the impression that it would cost \$200 in each case. Under the regulations which will be promulgated by the director, he will furnish a railroad ticket so that the Government will not be paying money that is not actually required for this necessary help in relocating workers who have been dislocated because of wartime conditions.

Mr. STEFAN. Does the amendment call for transportation of the worker, his family, and household goods?

Mr. EBERHARTER. It provides for the cost of transportation of the war worker, his dependents, and household effects, but in no instance to exceed \$200, and not to be more than one such travel allowance.

Mr. STEFAN. In my opinion, I do not believe it could become effective because in many cases that \$200 would not cover the expense. The gentleman referred to the approximate cost of this. Where is the money going to come from to pay this expense? From what fund or out of what fund would this money come?

Mr. EBERHARTER. This measure authorizes appropriations to cover what-

ever costs are absolutely necessary in order to carry out the purposes of the bill.

Mr. STEFAN. By direct appropriation out of the Treasury.

Mr. EBERHARTER. By direct appropriation which the Committee on Appropriations necessarily would have to pass upon and for which justification would have to be made by the Director of Reconversion and Mobilization.

Mr. STEFAN. During the hearings was there any estimate made of the approximate cost of this undertaking?

Mr. EBERHARTER. No; I may say in answer to the gentleman that there was no public hearings in the first instance on this bill.

Mr. STEFAN. On this amendment, I mean, because it was included in the Senate bill.

Mr. EBERHARTER. It was in the Senate bill; yes. I may say in further answer to the gentleman from Nebraska that it was said that there are many instances, even at the present time, where men who are laid off now are not able to travel to a different city in order to secure employment. If you could just give them some little incentive in the way of a payment or help toward paying transportation costs they would go to that new city and take up employment. That is one of the things that this proviso seeks to accomplish.

Mr. STEFAN. This creates an authorization for an appropriation for that purpose, but the gentleman has no estimate as to the possible amount involved, has he?

Mr. EBERHARTER. We do not have any estimate, because that would be pretty hard to make. Any estimate that you make now would be largely in the nature of a guess, I suggest to the gentleman. Some people have claimed that there will be no unemployment after the shooting stops, and others claim there will be great mass unemployment.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. EBERHARTER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes, because several gentlemen have asked me to yield.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CARLSON of Kansas. I wonder if the gentleman has given consideration to this fact, if his amendment were approved: That we would be paying up to \$200 for the transportation of war workers and their families from places of employment to their homes or other employment? But take a man in the service in one section of the country who had moved his family there, we pay his transportation home but not his family's or dependents'. I think that ought to be given consideration.

Mr. EBERHARTER. I may say, as far as that is concerned, a serviceman does not have his family with him when he is in the service in 99 cases out of 100, so there is no necessity for paying the transportation charges of his family. The first thing the soldier wants to do is to go back home to his family, and

therefore the law provides that the cost of his transportation shall be borne by the Government to his home.

Mr. CARLSON of Kansas. I think the gentleman will find that thousands of our boys have moved their families to the places where they have been stationed in the service for a long period of time, and they will be faced with the necessity of paying their own transportation, excepting an individual who is in the service.

Mr. EBERHARTER. I think the percentage of those in the service who have moved their families to the place where they are stationed now is very negligible.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from South Dakota.

Mr. CASE. The gentleman's amendment carries this language: "who have been employed in activities essential to the war effort." Does the gentleman have any basis for defining what activities are essential to the war effort, and has he any estimate of the number of people engaged in activities essential to the war effort?

Mr. EBERHARTER. In answer to the gentleman's question, I can only refer to the fact that the War Manpower Commission at the present time has several categories which they have determined to be essential to the war effort. The experience of the draft boards can be taken into account. I am certain if any director is clothed with the authority provided for in this proposed amendment that he would be very careful not to waste public funds.

Mr. CASE. By reference to the War Manpower Commission the gentleman brings attention to the fact that practically every worker today is supposed to be engaged in an activity essential to the war effort. What this proposal would mean would be that all of us would contribute to paying the transportation of all of us to somewhere else. Unless there is some limitation, nobody can estimate what the cost of this would be.

Mr. EBERHARTER. I submit that under the amendment, under the language as drawn and the debate here, it would clearly be the intention that these tickets would be furnished only in order to help toward the reconversion and post-war readjustment. I may say that in the other body this proviso received overwhelming approval. It has the approval of the only persons who appeared before the committee. They felt it was a very wise proviso. I hope the Committee will see it as I do and cast a favorable vote on the amendment.

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the amendment.

Would the gentleman from Pennsylvania accept an amendment to his amendment making ineligible for such benefits anyone who has gone on strike while engaged in war work?

Mr. EBERHARTER. That is a question I think I should give a little consideration to, in the first place. Some of the strikes are not altogether the fault or even remotely the fault of the workingmen. We have an instance where the employer refused absolutely to follow the orders of the War Labor Board. If those workingmen went out

on strike, I do not think they should be ineligible for these benefits. By making such a suggestion the gentleman is bringing up the whole question of who is responsible for all of these strikes. I do not hold to the opinion that the workingman is alone and solely responsible. I hold to the opinion that in many instances the business concern which refuses to follow the directives of the War Labor Board is responsible for the strikes.

Mr. KNUTSON. Does the gentleman think we could work out an amendment to his amendment that would be workable?

Mr. EBERHARTER. If the gentleman wants to offer an amendment to my amendment and will then support my amendment and ask the Members of the House to go along with it, I shall be delighted to accept the amendment.

Mr. KNUTSON. I could not conscientiously do that.

Mr. CAMP. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this amendment is one of the most dangerous amendments that has been offered to this bill. The gentleman speaks of our not having information on the subject of how many workers would be involved in this transportation item. None of the people who appeared before our committee could give us even a guess.

This amendment does not apply solely to the transfer of workers from one job to another. This is a broad amendment that gives transportation home to every worker who has worked in any work that has been called essential to the war effort. Under a broad interpretation of that term, all of our work has been essential to the war effort.

The cost of this transportation item alone would run into millions and millions of dollars. Two hundred dollars a person is as much as the average amount that was asked for in the First World War bonus bill. When the World War No. 1 bonus bill was brought up here, it asked for only a dollar a day for each day the soldier was in service in this country and \$1.25 for each day the soldier served abroad.

The total amount of base credit for a soldier was not \$200. This amendment, in my humble opinion, will entail the expenditure of a huge sum, far more than the cost of the retraining or any other item in this bill. It would mean an invitation to every worker in the United States today: "Go ahead and spend what you are making; when you are through with your job, we will take care of sending you home." I ask your thoughtful consideration before you vote for this amendment.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in not to exceed 10 minutes.

Mr. EBERHARTER. Mr. Chairman, reserving the right to object, I know a gentleman who expects to offer an amendment to the amendment which I have offered and he is preparing it now. Therefore, I would ask for a little more than the 10 minutes.

Mr. COOPER. The gentleman has had 15 minutes. We cannot hold up the

proceedings waiting for some Member to prepare an amendment. The amendment to the amendment would have to be offered before a vote was taken anyhow.

Mr. EBERHARTER. Would not the gentleman be willing to ask unanimous consent that all debate on this amendment and amendments thereto close in 15 minutes?

Mr. COOPER. My request is that it close in 10 minutes because I see only one Member on the floor asking for time.

Mr. EBERHARTER. I am only asking for 5 minutes more.

Mr. COOPER. The gentleman has had 15 minutes already. I think, in all fairness, he has been liberally treated.

Mr. EBERHARTER. Then, Mr. Chairman, I will have to object and let it go to a vote.

Mr. COOPER. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in not to exceed 10 minutes.

The motion was agreed to.

Mr. CELLER. Mr. Chairman, after hostilities there will have to be a great trek of war workers to civilian plants. It would be utterly impossible to get most of these migratory war workers out of the industrial war areas unless you adopt this amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. CELLER. I yield.

Mr. TABER. I wonder if the gentleman would think that this would require the payment of traveling expenses of a labor organizer from one end of the country to another?

Mr. CELLER. It would not. And I say beyond peradventure of doubt, that is utterly out of the question. Unless you pass this amendment, you are going to have these huge bottlenecks of labor and you are not going to have the proper kind of transfer or recruitment and placement of war workers in civilian industries. It does not mean every worker is going to get \$200. That is the maximum amount. Now you can quibble and say that the worker has the savings and that he can pay for his transportation.

Mr. CASE. Mr. Chairman, will the gentleman yield for a question?

Mr. CELLER. Mr. Chairman, I refuse to yield. Permit me to reply to that statement often heard concerning savings. The O. P. A. studies of consumer incomes and savings during 1942, show that half the families and single consumers studied had income of less than \$2,000 a year and that the average savings in this group of about 23,000,000 families and single consumers, was only \$57. I would like to be somewhat impertinent and ask you gentlemen how much you have of savings from your \$10,000 a year? You have mighty little. I have little left, if anything at all. Now, if you have not got very much of savings left with your \$10,000 a year, these war workers who had an average of only \$36.41 a week, cannot have very much left. I am reading from The National Week, the David Lawrence weekly, as to the average real weekly wages of workers in the war industries. In August 1939, it was \$23.77. The average in June 1944, contrary to the ideas that

most of you gentlemen have, was only \$36.41. What savings will be left out of a weekly wage, with a higher cost of living, out of \$36.41? The average savings being but \$57, there will be little incentive to travel to a new job or home. Surely there will be little need in the mind of the worker to hasten home and get back to the normal.

We had a very anomalous situation in New York. The Brewster plant was compelled to close as a result of cut-backs, and very glibly some people said to these workers, "You can get a job down in New Orleans at the Higgins Shipyard; you can get a job at San Diego, Calif., in the Kaiser Shipyard." It is very nice to say that, but where were these Brewster workers to get the wherewithal to transfer themselves, their families and their household goods from Brooklyn to San Diego, or from New York to New Orleans? They did not have the wherewithal and they could not get it. That situation will be multiplied a hundredfold after the war. For example, under this bill you are going to do away with the United States Employment Service. You are taking away all guideposts, taking away all sign posts to the workers suffering cut-backs or contract terminations. They do not know where to go. You are going to say by this bill, "Instead of one centralized Government agency, there shall be 52 separate employment agencies." There will be 48 separate agencies in the 48 States and the balance in the Territories. Fifty-two separate employment agencies instead of one agency as at present. And still you do not want to give this maximum of \$200 for transportation to take the worker into civilian production. I think it is a crying shame if we do not grant it. You take away all means of informing the worker as to where and how to go back home. You take away the moneys he should have to effectuate his transfer back home to a new job.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. VOORHIS of California. Mr. Chairman, I ask for recognition to offer an amendment to the Eberharter amendment unless the committee desires the time.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from California.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California to the amendment offered by Mr. EBERHARTER: In the first line after the word "may", insert the following: "Upon approval by the United States Employment Service."

Mr. VOORHIS of California. Mr. Chairman, the purpose of this amendment is simply this, to say that assistance in travel from the place where there are not jobs to a place where there are jobs shall be granted in cases where the Employment Service approves. The Employment Service will know that in the interest of the orderly reconversion program for the Nation as a whole, even without regard to any individual problem, it is to the interest of the reconversion program for a certain worker to be shifted from an overcrowded area to

one where there is a job he can do. It seems to me it is an important measure to be used in the reconversion program, to have something of this kind available.

My amendment is for the purpose of making it clear that this is to be done in cases where the Employment Service certifies that the move of the worker is in the interest of the reconversion program as a whole. If we are to do this job successfully a good many such moves will be necessary. Is it not of great importance that orderly provision be made so that here again unemployment can be kept at a minimum?

The CHAIRMAN. The question is on the amendment offered by the gentleman from California, to the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. Voorhis of California) there were ayes 47 and noes 80.

So the amendment to the amendment was rejected.

The question recurs on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. Eberhart of California) there were—ayes 41, noes 89.

So the amendment was rejected.

The Clerk read as follows:

Page 35, line 5:

"Sec. 204. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace. The Attorney General shall submit to the Congress within 90 days after the approval of this act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable."

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to take this occasion to say that I am in full sympathy with what you are trying to do in this transition period but in my judgment there is a very likely possibility that it will not work at all. Remember that of all these people working in plants, about 10,000,000 came from the farming sections of the country than which there is no better place for labor to find employment in America today. There is not a farm in the United States but what can use from one to two men right now. The farming is being done by women, children, and old men who should not be working at all. The question is: Are they going back to the farm? They have been in the habit of getting around \$83 a week. Just show me any place in America where a farm can compete with that kind of wages. It seems to me that at the end of 6 months we are going to be just about as bad off as we were at the beginning. Those men who have been entirely engaged in labor and in labor organizations, in the manufacture of materials are in a different classification altogether, but it is going to take some time before these 10,000,000 people will want to go back to

the farm. If they do not go back to the farms, they will swell the ranks of labor elsewhere.

What I see wrong about this bill is that it is not long range enough in its scope. You are dealing with a long-term matter in a temporary way. It depends upon whether private business can reemploy all these millions, and I hope it can, but you know as well as I that it could not do so before. This Government ought to have a wide-range plan so that wherever industry fails then the Government can step in. In this bill you have made no arrangements to pay the kind of people who of all need assistance most.

You have made no arrangement to give aid to the aged, the crippled, or to the mothers of the country, and that should be in the same bill. While I am going to vote for this bill because you think it is going to help temporarily, I take this occasion to point out that you are only doing a temporary piece of business and, in my judgment, at the end of 6 months you will have to do it all over again.

Mr. WHITE. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Idaho.

Mr. WHITE. Is there not a strong possibility that if this reconversion problem is not handled properly, the people out of work will commence cashing in their Government bonds and the Treasury will have to issue a tremendous amount of new currency, which will cause inflation because the people are out of work and cannot live without cashing in the bonds, and those bonds will have to be taken in?

Mr. BURDICK. My answer is if we do not have national planning to take up this slack of the unemployed, we will have the same proposition over again that we had before.

Mr. WHITE. This reconversion matter hinges on inflation. If we do not have proper reconversion, we will have inflation.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Of course, the gentleman from Idaho should know that the Treasury is this week completing arrangements whereby the 13,000 or more banks of the United States can proceed to cash these bonds as fast as the people bring them in. That is being publicized. The arrangements have already been made. I am now talking about certain savings bonds. That is public information.

Mr. WHITE. In response to the statement of the gentleman from Michigan, may I ask, what is it the banks are going to cash the bonds with and where are they going to get the money if they do not print more money?

Mr. CRAWFORD. This is public information. It is not the banks of the country that are doing this; it is the policy of the Treasury of the United States to keep faith with the people because they told the people they could cash these bonds any time within 60 days after becoming owners of the bonds.

Mr. BURDICK. Mr. Chairman, may I conclude by saying that I do not think this Congress has before it right now any definite plan to take care of the unemployed in case private business cannot do it. We had a planning board, but I notice the House voted down an appropriation for it; therefore, we have absolutely no plan today to take up this slack. The only plan we have put forward is this plan—a plan to keep up payments for 6 months after employment ceases, and after that, what? Jobs are what the workers want, not merely pay for a few months and then no jobs. Private business cannot absorb the unemployed now any better than it did from 1932 to 1936. We should be ready now with a Government plan of employment, in case private industry cannot do the job.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMASON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise at this time to make a brief observation and to pay what I consider a deserved tribute at this point in the RECORD.

On pages 10 and 11 of the report on the pending bill is an explanation of why certain retraining and reemployment provisions of the Senate bill were omitted from the bill as reported by the House committee. In the course of such explanation there is the following statement:

With respect to reemployment, there are also at least two agencies of the Government which provide employment services; one, the United States Employment Service, which maintains offices throughout the United States and works in close cooperation with the State employment offices; and the other, in the Veterans' Administration, which provides placement services for veterans. The committee was not convinced of the necessity of maintaining an additional Federal agency to deal with reemployment.

The report fails to mention the reemployment functions and services which are being performed by the selective-service local boards and reemployment committeemen under the supervision of the Director of Selective Service by authority of section 8 (g) of the Selective Service Act.

I am sure that failure to mention these selective-service functions was an oversight on the part of the committee, and, consequently, I am calling attention to those functions so that we will be sure to give credit where credit is due. These 73,000 reemployment committeemen, plus the many thousand local board members, receive no Federal pay but are already and will continue to be of great assistance to the returning veterans in helping them get jobs. We desire them to continue to lend their full support toward that end so that the responsibilities placed by Congress upon the Director of Selective Service will be properly carried out. At the present time these responsibilities are being carried out by the Selective Service System at only a nominal cost to the Government because of the patriotic services contributed without cost by the local board members and reemployment committeemen in 6,500

different localities all over this Nation. These patriotic citizens have a real interest in the men they selected for induction and can be of great assistance in seeing to it that former employers or new employers give employment to veterans.

And so we should pay appropriate tribute to these patriotic citizens and give them every encouragement to carry on their important assignments with the knowledge that we are well aware and most appreciative of their efforts and contributions.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. REED of New York. This morning I discussed the facilities we have for vocational education, and I think the gentleman has made a great contribution to show that the Committee was right in eliminating this.

Mr. THOMASON. I thank the gentleman. I just wanted to make sure that those patriotic citizens who are rendering such effective service without pay are given some recognition in this program.

Mr. TABER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, as we approach this problem of reconversion, we must have in mind that if reconversion is to be successful it must come not as the result of crackpot planning boards that produce nothing except plans laid out on a defeatist philosophy. If reconversion is successful, it will be as a result of the effort of the manufacturing plants and the business institutions throughout the country who have prepared for this situation that is coming. Thousands and thousands of them are now prepared with new things that they can produce, things that they used to produce and will produce on a better basis, so that we may raise the standard of living. When the war is over the demands of peace for automobiles, washing machines, refrigerators, and all the new devices which forward-looking manufacturers are preparing to put on the market as soon as they get a chance, and the rehabilitation of our highway system, our city pavements, our public conveniences, and the rehabilitation of our railroads are going to keep millions and millions of our people employed in the days following the peace.

The problem is not going to be to find a job so much as it is to find the workers, and we must not, in any bill that we pass here, attempt to interfere with the processes that really will put people to work by fancy notions and doles and that sort of thing designed to keep people out of work and prevent reconversion. If this is going to be a reconversion bill, let it be a reconversion bill. When the peace comes, the thing that will do most toward supporting employment in the days that follow will be some kind of a quick revision of our tax system which will cut out the excess profits and these things that go with war activities. We in Congress have to be alert to take advantage of that situation and to meet our responsibilities if reconversion is going to be a success.

I hope that the Congress will face this

problem squarely and honestly and will not rely upon fancy notions and fake planners and that sort of thing to prevent honest, legitimate reconversion.

[Mr. MICHENER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. MICHENER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, he who thinks that our future is secure is indeed an optimist. Out of the insanity of this global war, there will come a new civilization. Let us hope that it will not be an "old deal"—a deal representing the Dark Ages. Nor yet a New Deal with bureaucratic stacked cards, loaded dice, and points—a deal saturated with arrogant bureaucratic ignorance, blunders and stupidity. Let us hope, in spite of doubts and fears, that it will be a better civilization. But, remember that whether it will be better or worse depends upon the intelligence, the ingenuity, and the honesty of purpose with which we approach post-war problems.

We hear a lot about economic planning—we planned it so. Economic planning is all right if based upon intelligent experience. It is all wrong if based upon the thinking of pygmies—of inmates of an asylum. The destruction of millions of cattle—the destruction of 6,000,000 little pigs, and burying them in a cemetery in Chicago so that the poor might have some meat to eat—was the planning of madmen. The curtailment and destruction of agricultural wealth, "the abundant life by scarcity," was the planning of bureaucratic ignorance. That kind of planning Congress must stop.

Penalizing the farmer 49 cents a bushel for raising wheat; urging him to increase his hog production and then refusing to permit him to sell them; the putting of a ceiling of 63 cents a dozen on eggs in Washington when the producer received 14 cents in Ohio; the Government buying \$550,000 worth of eggs and selling them for \$2,800; the loss to the taxpayers of \$100,000,000 on this egg venture and the all but destruction of the wool and livestock industry are the results of regimentation—government by a book-educated, ignorant bureaucracy.

I, too, wish to thank the Committee on Ways and Means for attempting to bring about legislation to meet the crisis that we all know is coming. When 15,000,000 civilians are released from war work, and 12,000,000 veterans come home, then, there will be danger ahead. However, I cannot congratulate the committee on the results of its labor. I cannot agree with its reasonings or its conclusions. I

feel that the whole approach to this situation is wrong.

The idea of handing out sandwiches and paying able-bodied men and women for being idle, is the planning of bureaucratic imbeciles. I feel that in place of unemployment insurance—unemployment encouragement—we should have employment assurance. There is plenty of work to be done in this Nation. There always will be. It is Congress' responsibility to see that it is done. It is our responsibility to assure employment rather than insure unemployment.

It is our duty to see that the new wealth created each year is more equally and justly distributed among its creators—the laborer, the farmer, and the small business and professional man. These all need protection from monopoly and international cartels. The internationalists, who would sell the veteran, the farmer, the laborer, and the small businessman in foreign market places, had better take to the cyclone cellar. America will never substitute a mongrel flag for the Stars and Stripes.

I would sooner make a loan of \$5,000, without interest and payable at convenience, to a person for productive purposes, than to give him a single sandwich for nothing. In the one case, I build up morale and self-respect. In the other, I destroy it. We need a higher standard of public morale together with a higher standard of public morals and intellectual honesty. I am not interested in the drones that do not work—that consume the wealth that the toiling millions create.

In the pending legislation, I have no choice. The committee failed to bring out an employment assurance bill, and until that is done, we will have to have unemployment insurance. Let me warn you that the great mass of toilers will never again submit to the condition that was forced upon them after the last war.

The farmers of the Nation will never again submit to the loss of their homes by wholesale mortgage foreclosures. The returning veterans from victorious foreign battlefields will never again submit to an economy bill, the vetoes, and the abuse that was heaped upon them by their Uncle Sam after World War No. 1. They will not again sell apples for a subsistence. Their Uncle Sam who inducted them into the armed forces will be compelled to put them in the same condition that they would have been in if they had not been inducted. He will have to give them an opportunity for a new start in life.

If the committee had given one-half of the time that it gave to unemployment insurance to employment assurance, then, I am sure they would have served a better purpose. Then, they would, at least, have convinced the Nation that there is a situation ahead that must be met by intelligent and experienced planning. This committee has before it plenty of bills that it could consider, and should consider, in place of trying to patch up the defective Senate bill.

It had before it H. R. 4088, a bill providing for the rehabilitation of able-

bodied veterans. A bill that would put the returning veterans into the same position they would have been in if their Uncle Sam had not inducted them into the armed forces. A bill that would prevent unemployment, chaos, and confusion at the end of the war, by promoting individual, productive enterprise, and by enabling the returning veterans to engage in such enterprise and employ themselves in place of asking for jobs that do not exist.

This bill would take care of the 12,000,000 veterans. It would give to every veteran a paid-up life insurance policy at the rate of \$100 a month from October 16, 1940—when the draft went into effect—to the assault on Pearl Harbor, December 7, 1941. After that the amount of the insurance would be increased at the rate of \$150 a month for home, and \$300 a month for overseas service.

The bill provides that the veteran may borrow up to 85 percent of the face value of the policy in order to engage in a productive enterprise. The veteran need not pay interest on this loan for 2 years. This in order to give the enterprise an opportunity to become productive. After that the loan is to be repaid in 20 equal payments with interest at 1½ percent. Under this bill, any number of veterans can associate themselves and form a partnership or corporation, the proceeds of all such enterprises to be exempt from all State and Federal income tax for 5 years.

No honest man can object to the amount of this paid-up insurance. It is conservative. It is no more than the veteran could have earned if he had not been inducted into the armed forces. It is far less than many of those who stayed at home earned. Will we deny to the defenders of this Nation equal financial treatment, for work that was far more dangerous and far more exacting than that performed by those who stayed at home? There is no 40-hour week in the Army or Navy. There is no 40-hour week on foreign battlefields—on many occasions it is a 24-hour day, and your life and your limbs are at stake.

This legislation is fair. It is honorable. It is the least that we can do for our soldiers. We trusted them to protect our honor and defend our Nation on foreign battlefields. But I am asked, "Do you think that patriotism is for sale?" No; it is not for sale, but it can, at least, be appreciated by those of us who stayed at home—by those of us who were too old, or for other reasons unable, to serve in the armed forces when the Nation called.

It is claimed that in order to pay our Federal debt, estimated at some \$356,000,000,000 at the end of the war, we must keep our factories going full blast after, the same as during, the war. In other words, that we must keep on going deeper into the red in order to pay our debt. That is wishful and fallacious thinking. The indebtedness would increase faster than the national income. The laborer would gain nothing by such an attempt because for every dollar of indebtedness there is a coupon clipper as well as a producer. The clipper clips the interest, the producer produces it.

We are living in a fool's paradise. Every day I am asked "Why is it that we can have prosperity in wartime, but, not in peacetime?" The truth is that you are not having prosperity in war. You are simply squandering the substance and the wealth you have accumulated in the past and that you will accumulate in the future. In this war, you have not only put a mortgage on your own wealth, but, on the wealth that you and unborn millions will have to create in the years yet to come.

You have just gone on a spree. Your headache will follow when pay day comes. You are having the same kind of false prosperity that you would have if you mortgaged your home equal in amount to \$5,000 for each member of your family. Then, you could go on a splurge and continue until the proceeds were gone. In spending the proceeds, you only consumed the wealth you had accumulated.

Then, while you were having a good time spending the proceeds, you could ask with equal force "Why is it that the only time we have prosperity is when we put a mortgage on our farm and home? Why cannot we have the same prosperity without the mortgage?" The truth is that the apparent prosperity that you have been having is at the expense of your home—your accumulated savings.

Here is the similarity. In war a blanket mortgage is put on your home and on each member of your family. In this war, the blanket mortgage is a \$356,000,000,000 Federal debt. It will be collected from you and future generations by the tax collector. Not only through Federal and State taxes on your income and on your home, but, in hidden taxes on everything that you wear, drink, eat or use. There are now, and there will be, more than 73 hidden taxes on a hot dog sandwich. You don't see these taxes, but, you eat them just the same and you pay them.

In the price that you pay for that sandwich there are included not only the price you pay for the material and the labor put into the meat and the bun, but the taxes that the proprietor pays when he buys his clothes as well as the taxes he pays on the place where he does business. In it are included his State and Federal income taxes. All these must come out of the hot dog or else he could not continue in business.

When this war ends, there will be a Federal debt of some \$356,000,000,000. This is the amount that will have to be paid out of new wealth created. That is the wealth that this Nation has been squandering by placing a mortgage on the future. That is the fool's paradise—the so-called prosperity that some think we have. It will have to be paid for by you and your family and the unborn millions.

That is the price we pay for the prosperity that you ask me about when you say "Why can we not have the same kind of prosperity in peacetime as in wartime?" That is the kind of prosperity I hope God will never again permit to be fastened on an intelligent world. A world that is supposed to be civilized, but a world that kills and de-

stroys and then pays for it through the sweat and tears of future generations.

When this devastating war is over, it will be our duty to help rebuild the ravaged nations. We must provide food for the hungry. We must provide material to rebuild productive enterprises. This from out of our surpluses—not out of our own necessities.

Let us clear away the wreckage and help to build the world anew, but, all the time let us keep in mind that "charity begins at home." America will not sell its domestic markets in order to bribe good neighbors. Neighbors you have to bribe are not neighbors, but, enemies. We have gone far enough with that ignorance. We will not mingle our standard of living with the poverty of other nations, but, we will assist them in bringing their standard up to ours.

Now, let us consider America's problems on the home front. All of us, except a few hphenated hybrids, are primarily concerned with the welfare of our own Nation. Yes; we are Americans first, last, and all the time. Let that soak deep into your conscience. Anyway, what is wrong with being an American first? Churchill is an Englishman first. Stalin is a Russian first. Chiang Kai-shek is a Chinese first. Our armed forces are giving their lives for America. Then, why should not we all be Americans first? Can anyone but a disloyal person object?

When the war drums cease to beat there will be plenty to do without fooling around with one-world lunacy. Caesar, Alexander, Charlemagne, and Napoleon all died of that disease and it is about to finish Hitler.

When that time comes we will owe \$356,000,000,000 Federal debts. We—135,000,000 possessing less than 10 percent of the world's resources—will owe more than all the other nations together—more than the over 2,000,000,000 that possess 90 percent of the world's resources.

There will again be deflation; there will again be unemployment; there will again be overproduction, or, rather underconsumption; there will again be an agricultural problem, a home owner's problem, this unless we meet these issues intelligently. There will again be unpaid taxes and debts by the billions. There will be a financial collapse unless we adopt an American program.

The time to face these issues is now. The time to discuss them is now. The time to pass legislation to meet the situation is now. America must have a domestic program as well as a foreign policy.

First among these safety valves is cost of production for the farmer on 43 principal agricultural products—not 75 percent parity on only 5. The ignorant regime of the "abundant life by scarcity" is past. Restricting production, wantonly killing livestock, regimenting and penalizing the farmer, now belong to the Dark Ages. Never again will the farmer submit to having 265,000 bellwethers placed on his back to tell him what he may produce and what he may not produce, what he may eat and what he may not eat.

Next, Congress must provide a living annual wage for common labor. We do not mean merely a subsistence wage, but a wage sufficient so that the workers can educate their children the same as the rest of us. The hostility toward organized labor by the paid propaganda over the radio and the metropolitan press and theaters must stop. Organized labor consists of 48 percent of our population. They have 48 percent say about the Government under which we live. American labor has done a marvelous job during this war. They, too, are getting tired of being regimented—of government by bureaucracy.

Again, there must be an intelligent old-age compensation—security from want. Any person who has worked from the age of 20 to 60 has produced enough wealth to last for life. If such a person finds himself in financial distress, and without means of a comfortable livelihood, then it is because society appropriated the wealth he created. Therefore, it is society's duty to protect such a person from want.

Congress must also resurrect, protect, and promote individual enterprise. It must give to small business a square deal, not a new deal with points, stacked cards, and loaded dice. It must protect it from the nuisance of the O. P. A. and all the rest of the alphabetical set-ups. Congress must also protect small business from monopolies built up during this war. Look behind the scenes and you will find multimillionaires—economic royalists—in all key positions. The Stettiniuses, the Rockefellers, the Harrimans, the du Ponts, and even the Tommy Lamonts are in the saddle.

If the American way of life is to continue, we must have more democracy—not less. All executive sessions and secret diplomacy must cease. What our officials know, we, their masters, are entitled to know. There must be no more one-man made laws. The courts must again learn to respect the Constitution.

If we are to continue as a republic we must provide for the nomination and election of the President and the Vice President by popular vote in a primary and general election. The term of office should be limited to 7 years, with no successive reelection. The President and the Vice President should not be elected at the same time that Congress is elected. This will prevent political manipulation. It will prevent self-perpetuation in office. It will make the unwarranted assumption of legislative power by the Executive impossible.

Finally, Government by bureaucracy must be abolished. There has been too much concentration of power in Washington. The bureaucrats not only wish to control the Nation's industrial activities, but insist upon doing the thinking for all of us. Many of these are incompetent to do their own thinking, let alone the Nation's. Congress must stop this nonsense—it is dangerous.

(Mr. LEMKE asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON of New Jersey. Mr. Chairman, at times during this debate expression has been given to language, which, it seems to me, is unjustified. In the effort to defeat the proposal that has been made by the offering of the Dingell bill, the interest of some has led them to give expression to thoughts that are not justified from the standpoint of the bill or from the standpoint of the purpose of those who have been interested in offering it. Frequently reference has been made that it is the result of deliberation of long-haired boys and their theories, or it is the work of crackpots. I want to say to you that the Members of this House who joined together in an effort to produce a worth-while piece of legislation upon this important subject are not to be described in that manner. Those who joined with them were representatives of the American Federation of Labor, the C. I. O., the railroad brotherhoods, and representatives from different departments of our Government who have had intimate contact with this problem over a period of years, and whose judgment has been accepted in this House on more than one occasion. None of these are of the long-hair or crackpot type. We sought to produce a bill that would be entitled to receive the support of this House. We believe the Dingell substitute bill to be sound, logical, and worth while.

Now, on the larger question, namely, the matter of sufficiency of benefits, let me bring to your attention the fact that the necessity of increased unemployment benefits has had the support and approval of leading men of business, agriculture, and labor. In a joint statement on social security, issued by the National Planning Association and signed by representatives of agriculture, business, and labor, 17 representatives of business joined in a statement which included the following criticism of the existing State laws:

The unemployment insurance system should also be amended so as to raise the level of benefits and to provide benefits for dependents and to protect workers who worked in more than one State during their eligibility period from impairment of benefit rights. Unemployment insurance is capable of making a major contribution to the stability of the economy—

And get these further words—during the inevitable displacements that will accompany the conversion of industry to peace. But to do this certain amendments are necessary.

Among the businessmen who signed the above statement were men representing the General Electric Co., the Johns-Manville Co., the Bankers Trust Co. of New York, Swift & Co., and the Aluminum Co. of America.

The men representing those companies are not radicals. They are not what you call crackpots. They are not what you call long-haired boys. They know that adequate liberal employment insurance benefits are necessary to assure business a good market. They boldly state that the level of benefits is inadequate, both in amount and duration, and that it is necessary to make some special pro-

vision to supplement, at Federal expense, the existing system of unemployment insurance during the process of reconversion.

Another one who has made a statement that has a direct and important bearing on this subject was former Supreme Court Justice James F. Byrnes. No one would say that he was a crackpot. No one looks upon him as a long-haired boy or a radical. What did he say?—

Existing State employment insurance laws were framed to meet local conditions of temporary unemployment, and are not adequate to deal with the Nation-wide problem of reemployment. Demobilization must be regarded as a national problem and its cost as a part of the cost of the war. State unemployment insurance plans should be supplemented by Federal support to the extent necessary to give practically all workers during the transition from war to peace suitable unemployment benefits.

Similar opinions have been expressed by Mr. Altmeyer, Chairman of the Social Security Board, and Mr. Latimer, Chairman of the Railroad Retirement Board. They have made similar statements as to the inadequacy of the State unemployment-compensation laws. This Congress has placed itself on record in the G. I. bill by supplementing State employment compensation by a federalized system providing larger amounts than would otherwise have been received. National Commander Atherton, testifying on the subject, stated that this Congress was right in making such a provision. It illustrates that Congress recognizes the insufficiency as to amount and time of duration of State unemployment-compensation benefits.

The unemployment problem can be of tremendous importance during the reconversion period. We must be prepared to deal with it in a realistic way if it should occur. Only in this way can we prevent fear arising in the hearts of our workers as to their future security. We will need confidence to a high degree in the uncertain period that lies ahead.

In conclusion I want to bring to your attention a quotation from a report made by the New York Joint Legislative Committee on Industrial and Labor Conditions. This report was made in 1943. The report in its conclusion said:

The benefit provisions of the State laws cannot be said to be adequate to meet fully the needs that will arise if unemployment succeeds the cessation of hostilities * * *. It does not seem possible that in the remaining time (before the war ends), most State unemployment compensation laws will be sufficiently extended and improved to intensify sufficiently the degree of protection against widespread unemployment. The search for a solution to the problem must therefore proceed in other directions.

The above reference to "other directions" must mean Federal legislation. There is no other place to go. The Dingell bill seeks to provide a solution in the manner the above-mentioned report indicated, namely, by Federal legislation.

Today this House faces a great responsibility—the passage of the Ways and Means Committee bill will prove "too little and too late" in meeting the situation in the event we are faced with a

great unemployment problem due to the transition from war production to peacetime production.

The Dingell bill provides a solution that will give heart, courage, and a feeling of security to every worker. I appeal to the membership of the House to give approval to it.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The Clerk read as follows:

TITLE III—ADVANCES TO STATE UNEMPLOYMENT FUNDS

SEC. 301. (a) Section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: "or deposited pursuant to appropriations to the Federal unemployment account."

(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words "a separate book account for each State agency" a comma and the following: "the Federal unemployment account."

(c) Section 904 of the Social Security Act, as amended, is further amended by adding, at the end of the section, the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers from the Federal unemployment account to the account of any State in the Unemployment Trust Fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of title XII. Any amounts in the Federal unemployment account on the termination date prescribed in section 503 of the War Mobilization and Reconversion Act, and any amounts repaid to such account after such date, shall be covered into the general fund of the Treasury. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this act, for the administration of that title by the Board, and for the administration of title IX of this act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this act, the sum of \$40,561,886.43 which was authorized to be appropriated by the act of August 24, 1937 (50 Stat. 754)."

Mr. CARLSON of Kansas. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD. I have prepared an analysis of payments by States and some discussion of the present unemployment compensation section

of our security laws. I should like to insert it in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARLSON of Kansas. Mr. Chairman, there are several factors in each of the State laws which determine the amount of benefits paid to any unemployed individual. The most important of these are:

First. Eligibility—the right to receive any benefits at all.

Second. The benefit formula—relationship of benefits to prior wages.

Third. The minimum benefit amount.

Fourth. The maximum benefit amount.

These factors are closely related and a change in one of them may affect the others.

For example, proponents of a Federal system scoff at the low minimum benefit amounts provided in some of the State laws.

Let us see what happens in some of the States fixing low minimum amounts.

Alabama is the lowest, with a minimum of \$2. But here an individual can receive this benefit even if he earned as little as \$39.01 in the calendar quarter in which he has received the highest wages in his base year. This means that in one 3-month period he earned less than \$40—or as little as \$3 a week. It is hardly conceivable that such an individual has been supporting himself or has suffered any great wage loss by being out of work.

In Arkansas the minimum is \$3, and to get that the applicant must have earned as much as \$66 in a base year.

In Louisiana the minimum is \$3, and an individual who has earned only \$90 in a year can receive this.

In Mississippi the minimum is \$3, and the wage requirement is \$90 in a year.

In Missouri the minimum is \$3 a week, and the individual must have earned \$120 in a year.

Surely, our friends who prefer a Federal system would not propose to pay unemployment benefits based upon wages in minimum amounts such as are paid in some of the larger industrial States and pay such benefits to individuals who have only earned in the neighborhood of a hundred dollars a year.

To pay a benefit of \$10 a week to an individual who has averaged only \$2 a week in wages over a year would not be unemployment compensation. This would be relief, and if necessary should be done under a relief system.

Actually, where higher minimum amounts are paid, the wage qualification is considerably higher. In the States paying a higher minimum, what actually happens is that people with very low earnings do not get any benefits under this system at all.

Unemployment insurance was not designed for people who have not actually been supporting themselves on their wages.

But the low minimum does not mean that the State is stingy. It means, that the State is paying benefits to many people who receive very low incomes.

Now let us turn to the matter of benefit formulas—the provisions of the laws that fix the benefit amounts.

Under unemployment compensation, in this country, benefits are always related to past wages earned in a covered occupation.

In this system we do not consider need—we do not consider the number of dependents or whether the family has enough to eat, or anything except the prior wages. This is not a relief system. In a relief system we consider every aspect of individual and family need.

But this is a semi-insurance system and the benefits paid out depend on the taxes paid in by the employer. Both are based on wages and the aim of the States has been to find a formula that is reasonable and that pays a benefit roughly in proportion to what the individual has been used to earning when employed.

The most simple way to do this would be to pay in benefits a specified percentage of the average weekly wage. This was done in the early laws.

But it was soon found that benefits under this plan were not high enough. When these laws were passed there was a good deal of partial unemployment. Working hours were reduced and many people were laid off part of the time. So the States adopted the plan of trying to relate benefits to full-time wages.

Nobody could develop a satisfactory way to define what an individual's full-time wage might be, so the Social Security Board recommended, about January 1939, that benefits be related to the wages earned in a 3-months' period. The Board suggested as a starting point, the wages earned in the highest paid calendar quarter of a base year.

This meant that in the case of seasonal employments, benefits would be based, not on the average wage, but on the peak wages.

This formula goes beyond the concept of full-time wages—it includes all the overtime and bonuses and everything that the individual earns in his best calendar quarter.

About the same time there appeared a tendency to increase the ratio between benefits and wages.

At first most of the States were agreed that the correct benefit was half the regular wage.

But this was not enough, so the States began increasing the percentage. The method of doing this was suggested by the Social Security Board in recommended amendments for State laws, which the Board distributed to all States in 1939.

Assuming full employment in a calendar quarter of 13 weeks, the weekly wage would be one-thirteenth of the quarterly wages and half of the weekly wage would be one-twenty-sixth of the quarterly wage. This figure appeared in many State laws in 1939.

But many of the States began about that time using larger fractions. They adopted figures of one-twentieth or 5 percent and higher, so that the result was that an individual who had ordinary full-time employment in his highest paid quarter received as a benefit more than half his average wage for that quarter and individuals who received overtime compensation received much more than half their full-time wages.

There has been a lot of discussion of the average benefits paid by the States.

Before the Senate post-war committee—hearings, page 754—Dr. Bigge, of the Social Security Board said that the average benefit paid by all States in 1943 was \$13.84 a week, for total unemployment.

He also said that—

It should be remembered that while we speak of benefits as being roughly equal to 50 percent of wages, the average benefit of \$13.84 for 1943 is only about one third of the average weekly wage.

Now, gentlemen, this is a very misleading statement. If we had a formula that paid each recipient exactly half the average weekly wage, the total benefits paid would always be less than half the wage as long as any maximum figure is set.

The answer is that unemployment compensation is not intended to make up the wage loss of highly paid people.

Under a system like this we have to put a ceiling somewhere. I do not profess to know exactly where that ceiling should be in every community in the United States, and I do not believe any Member of this body does know where it should be. I think the figure must vary and that the State legislatures who can make careful studies of this problem under the circumstances prevailing in the States are in a much better position to determine these things than we are sitting here in Washington.

But to go back to Mr. Bigge's figures, as a matter of fact, the figures he gave to the Senate committee are out of date.

The Bureau of Unemployment Security has published average benefit amounts for 1944. Their review of Employment Security Activities for June 1944 states:

The average weekly benefit payment for total unemployment was \$15.87 during the second quarter of 1944, as compared with \$15.43 for the first quarter of the year and \$13.84 for the year 1943.

So, as might have been expected with rising wages, the average is climbing rapidly.

But actually these averages mean very little. There are available from the Social Security Board summaries showing the maximum benefit provisions of all State laws. Turn to these summaries, gentlemen, and you will find the figures that are important today.

Why are we debating this bill at this time?

Every Member of this House knows that this bill has been brought before us as a part of a reconversion program.

Federalization of unemployment compensation has been proposed at this time, as this bill is proposed at this time, to help solve the problem of those who will lose their jobs in war plants.

Now we all know the wages that are being paid today in our war plants. Are these plants paying wages from \$10 to \$20 a week? Certainly not.

Under a law that pays the unemployed individual half his prior wage, practically every man or woman who has been employed in a war industry for any length of time will receive the maximum benefit provided for in his State law.

He is not interested in what the average payment was in 1943, when there wasn't any appreciable unemployment, or in 1938, when wages were so much lower than they are today.

That individual is interested in only one provision of his State's weekly benefit formula. That provision is the maximum benefit.

Of course, he is also interested in how long he can get that benefit. Well, that will depend partly on how long his unemployment may last. But again, the State legislatures know as well as we do what their problems are and I fancy somewhat better.

The great majority of State legislatures will be in regular session in 1945 and several of the other will presumably meet in special session. They will have an opportunity at that time to reexamine these laws and I for one have no lack of confidence in their ability to make wise decisions in this field.

But to return to the matter of weekly benefit amounts. The facts are:

First. That workers in war plants today are earning enough wages to qualify them for the highest benefits paid under their State laws, even where the benefit paid is only half the weekly wages earned.

Second. Actually, the formulas pay more than half. It would take a Philadelphia lawyer with special mathematical training to understand the formulas in some of these laws. They are full of complications. But all of these complications represent different ways of increasing benefits above half the wages earned.

The oldest unemployment compensation director in the business today—oldest in point of service—is Paul Raushenbush, of Wisconsin, who was administering an unemployment compensation law when no other State had one. Mr. Raushenbush told the Senate Post-war Committee at its hearings that through weighted tables and other devices the States are actually paying benefits as much as 60 percent in many cases and sometimes two-thirds of the wages earned.

Of course, this is not true in the higher wage brackets, but unemployment-compensation laws, I venture, never would have been passed for the benefit of those receiving high wages. And unless all maximums are removed, those receiving the highest wages will never get as high a proportion of their wages in benefits as will those who are lower paid.

Third. The limit on benefit payments is not the amount of money available to the States. The States today are in a much better financial position than the Federal Government.

The limiting factor in benefits is the knowledge of the legislatures as to what is best for their States. They know their conditions. They know best how far they should go in paying benefits. In the past there has been a steady trend in the States toward higher benefits. Though this trend has been interrupted during the war when there has been so little legitimate unemployment now, with higher living costs, I have no doubt that this trend will be resumed in 1945.

Fourth. The Social Security Board has repeatedly called attention to some very low benefit payments, such as the low minimum amounts I referred to before.

Practically all the States weight their formulas so that the lowest-paid worker gets the highest percentage of his wages when benefits are paid.

So, actually these low benefits reflect, not stingy legislation but a low-wage level.

We must recognize that there is nothing in unemployment compensation that can raise the wage scales in any section of this country. We could, of course, pay unemployment benefits so high that nobody would accept a job at low wages. But this is not the purpose of unemployment insurance.

The only effect of unemployment insurance upon employment is to burden it. Now the only thing we can accomplish by increasing the cost of this system as far as employment is concerned is to make employment more difficult—to reduce employment or to reduce wages.

There are some sections of this country—and some occupations everywhere—where wages are low, and we all deplore this.

If wages in these places and these occupations can be increased, then the increases will be reflected in the size of unemployment benefit payments. We can no more raise wage levels by increasing the maximum unemployment benefit than we can change the weather by adjusting our thermometer.

Mr. Chairman, I ask unanimous consent to extend my remarks further at this point in the Record, and when we get back in the House I shall ask permission to include therein a paper by Stanley Rector, chief counsel of the unemployment compensation department of the Wisconsin Industrial Commission, on interstate benefit payment procedure in unemployment compensation.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARLSON of Kansas. Mr. Chairman, there has been considerable discussion during the debate as to what happens to the unemployment compensation of a worker who moves from one State to another. For a few minutes I want to discuss that problem.

What happens when an individual moves from the State in which he has been working and becomes unemployed in another State?

On the floor of the Senate it was stated that the individual would have to draw his benefits against the fund of the State in which he might be located, and it was implied that that State could not collect from the State that had collected the tax on his employment.

This is, of course, not correct.

Every State in the Union has entered a reciprocal agreement under which individuals may move from State to State and may continue to receive their benefits, if unemployed. These benefits are all chargeable against the State where the individual was previously employed.

In other words, if a Kansas resident has gone to Michigan to work in a war plant, and if he returns to Kansas, when unemployed at the end of the war, all he has to do is to go and register at a Kansas employment office. His benefits will be computed at the rate of Michigan, where his wages were earned. The benefits will be paid to him by his local Kansas office, but the cost will be borne by Michigan, where the tax was collected.

This system has been in effect universally for years, and I cannot understand why some interests in this field continue to claim that federalization is the only method that will solve the problem of interstate benefit payments.

Stanley Rector, chief counsel, unemployment compensation department, Wisconsin Industrial Commission, recently wrote an article entitled "Interstate Benefit Payment Procedure in Unemployment Compensation." I have secured permission from the House to insert that article at this point.

INTERSTATE BENEFIT PAYMENT PROCEDURES IN UNEMPLOYMENT COMPENSATION

(By Stanley Rector, chief counsel, unemployment compensation department, Wisconsin Industrial Commission)

A primary reason urged for the necessity of substituting a completely national unemployment compensation program for the present State system is that a uniform over-all national system is necessary to assure that an employee's benefit rights, wherever they may have been earned, will be forthcoming to him, wherever he may be.

It is a favorite device, on the part of the advocates of the national system, to picture our present one as being comprised of 51 tightly compartmented jurisdictions characterized by distracting differences between them that particularly affect the benefit rights of migrating workers.

It is, of course, a favorite strategem of advocates of centralization in any field—education, law enforcement, marriage and divorce, regulation of corporations, etc.—to picture the notorious inequities that accrue by reason of the attempt of the people to govern themselves through State and local governments. These alleged inequities would allegedly magically disappear under national surveillance.

In keeping with this general approach of the advocates of federalization, those of their number interested in the field of unemployment compensation picture State lines in particularly sinister coloring. The State lines are made to appear as high wire entanglements with glistening barbs, on which migrating workers leave the tattered and torn remnants of their benefit rights as they travel through them from one State to another.

The present system of State laws does not affect the benefit rights of employees, and those who charge that it does are either ignorant as to the facts or guilty of willfully misrepresenting them.

This is an attempt to develop, in a rather summary fashion, the administrative procedures through which the States have achieved a rather full and complete protection of the unemployment compensation rights of workers who may travel from State to State. It is not designed with the idea of converting acknowledged opponents of the present State system, but rather with the intention of dissipating, if possible, the misinformation for which they have been responsible.

The machinery for attacking the problem of giving adequate protection on a national basis to the benefit rights of workers under

a system of State laws is provided by a national association of unemployment compensation agencies, known as the Interstate Conference of Employment Security Agencies. This association of administrators, which was organized in 1936 to enable its members to discuss, study, and recommend action on issues of mutual concern, from the first addressed itself to the problem of protecting the benefit rights of workers who traveled from place to place.

One of the first special committees appointed by the conference to consider the problem of the migrating worker evolved a uniform definition of employment, and the adoption of this uniform definition by 49 of the present 51 jurisdictions having unemployment-compensation laws has done much to allow a worker's benefit status to be determined at one particular place—wherever he may be or however widely he may have traveled. This preliminary action on the part of the State agencies has been followed by others, with the result that there are now 4 devices which have been worked out to assure protection to migrating workers:

1. A uniform definition of employment.
2. Interstate benefit-payment plan.
3. Plan for combining wage credits.
4. Interstate reciprocal coverage arrangement.

UNIFORM DEFINITION OF EMPLOYMENT

The language of the uniform definition of employment now in the laws of 49 jurisdictions is designed to enable a single State to cover all the employment of a worker employed in several States, provided that such work was performed for a single employer. In essence, the definition provides a series of tests or standards which are designed to operate so that a maximum opportunity is given to locate a worker in a single State for the purposes of unemployment compensation. This, of course, accrues also to the advantage of the employer in the preparation of his payroll reports. The definition has particular application in the case of traveling salesmen, traveling construction crews, and persons traveling out of the State of their primary business location as an incident to their business.

INTERSTATE BENEFIT PAYMENT PLAN

The writer was chairman of the next special committee assigned by the Conference of State Agencies to further deal with the problem. The plan proposed by the committee was adopted by the conference, and by June 1938, which was prior to the time that the great majority of the States had begun to pay benefits, the present interstate benefit payment plan was in operation. This plan is now smoothly functioning, and all States and Territories are now participating in its administration.

The purpose of the plan is to protect the benefit rights of a worker who, unemployed in one State, moves to another State in search of work. In such cases the employment in the new State is, of course, customarily with a new employer. When he becomes unemployed in the second State, or perhaps the third or fourth State, he will have had wages from several employers and benefit rights in several States. The procedures established under the plan permit the worker to realize on his accrued benefit rights in the several States in which he may have had employment.

Through the plan a worker can file a claim for benefits at any local employment office in the United States. The claim is then forwarded to the central office of the State of States in which the employee earned his benefit rights, and, regardless of the State where the local office taking the claim is located, the employee receives his benefit check by mail, just as he would have had he remained in a single State. The worker's rights—that is, eligibility, qualifications, etc.—are determined by the provisions of

the law of the State or States paying the benefits.

The plan in its operations may be compared to the procedures in a bank clearing-house system. An individual who has a bank credit in his home town can, on proper identification, cash a check at almost any bank in the country. In effect, that is what happens under the interstate benefit payment plan. The unemployed worker who has benefit rights established in his home town can, upon proper identification, draw on those rights through any local employment office in the United States.

Under the plan multi-State workers are given as nearly as possible the equivalent treatment afforded intra-State workers. If the employer seeks to deny the payment of benefits, the State taking the claim (agent State) makes an investigation of the employee's side of the case and forwards the necessary depositions, etc. to the State on which the claim is made (liable State). If the liable State has made a determination of the contested matter which is not satisfactory to one of the parties, the dissatisfied party may ask for a formal hearing. The agent State then, through its appellate division, holds a hearing to obtain the employee's testimony, while the liable State does the same for the employer. Transcripts of the hearings are prepared by the liable State and a decision is issued on the basis of the evidence contained in the transcripts. It is submitted that the advocates of a Federal system could think of no better procedure for handling contested matters than the ones that the States have adopted, unless, perchance, they considered bringing employers and employees across the country to confront each other at the same hearing involving a relatively few dollars in benefits. The item of expense being of little or no concern to Federal bureaus, perhaps this might be done.

COMBINING WAGE CREDITS

The uniform definition of employment and the interstate benefit payment plan, operating together, afforded a nearly complete solution to the problem of protecting the benefit rights of migrating workers. However, there was one small element of the working population covered under State laws to whom protection was not given. To be able to claim under the interstate benefit payment plan, it was necessary that a worker have benefit rights in one or more States. The work of some employees was of such a nature and their stay in any particular State was as a consequence of such short duration as not to permit them to qualify for benefits under the laws of the States to which their work took them. Generally speaking, migratory work of this nature is mainly to be found in the field of agricultural labor, which field of employment is excluded from coverage under the Federal Unemployment Tax Act and most State unemployment compensation acts. However, the existence of a few unprotected migratory workers that were covered under State laws gave opportunities for attacks on the State system, which opportunities were fully and completely realized by advocates of federalization.

In the fall of 1943, the conference of State agencies adopted an interstate plan for combining wage credits, whereby the States could, by subscribing to the plan, mutually arrange for the combining of wage credits.

The plan works like this: Worker A is employed on separate construction jobs, by separate employers, in Iowa, Wisconsin, North Dakota, and Idaho. He does not earn sufficient wages or work long enough to qualify under any of the unemployment compensation laws of the enumerated States. After his last job he returns to his home in Iowa where he files a claim for unemployment compensation benefits. The Iowa unemployment compensation agency obtains A's wage

credits from the other States and finds that his total earnings on all jobs are sufficient to qualify him under the Iowa law. In accordance with the interstate plan for combining wage credits, Iowa pays unemployment benefits to A. Once each 3 months Iowa bills the States of Wisconsin, North Dakota, and Idaho for their proportionate share of the cost of A's benefits.

At the present time 16 States—Colorado, Connecticut, Delaware, Idaho, Iowa, Louisiana, Missouri, New Mexico, New York, North Carolina, North Dakota, South Dakota, Vermont, West Virginia, Wisconsin, and Wyoming—have subscribed to the wage credits combining plan. Additional States are expected to subscribe shortly.

Employers desiring the continuance of the present State program, as against a centralized national plan, could perform a friendly act by advocating that their State agency subscribe to this new device.

RECIPROCAL COVERAGE

The reciprocal coverage arrangement, though relatively unimportant in contrast with the three preceding procedures, is the last step that has been taken by the conference of State agencies in the interest of workers traveling from State to State and of their employers. In December 1943, as the result of a few years of experience with the uniform definition of employment, the conference recommended the arrangement for adoption by the State unemployment compensation agencies. Experience had demonstrated that, while the uniform definition of employment had, by and large, served to satisfactorily locate traveling employees at a particular situs for the purposes of unemployment compensation, yet there were some situations in which it did not accrue to the advantage of the employees or the employer. The reciprocal coverage arrangement, in brief, permits an employer's employees who may be under the laws of several States to be brought together and considered to be under the law of a single State for the purposes of unemployment compensation. This has obvious advantages to the employer in the preparation of pay-roll records and also has advantages to the employees arising out of increased convenience, and, generally speaking, increased benefit coverage.

The following example illustrates the purpose and operation of the arrangement: Company A is a chain-store corporation with stores in Maryland, Illinois, North Dakota, and Washington. Certain of A's employees are periodically moved from store to store. Company A is subject to the separate laws of each State in which it operates. The interstate reciprocal coverage arrangement will allow company A to elect to cover all of its interstate workers in one of these States. Now assume A elects to cover them in Illinois. Illinois, upon receipt of the employer's election, clears with the States of North Dakota, Maryland, and Washington. If those States have no objection, company A's election goes into effect. The result is reduced reporting and simplified accounting for company A and increased benefit coverage for the workers.

A final observation seems in point. Advocates of a national unemployment compensation act seem to overlook the fact that, under their proposed system, the problem of "keeping up" with workers who change from place to place would have essentially the same character and dimensions. Certainly the unemployment-compensation checks for the whole country could not be written in Baltimore on the basis of the old-age and survivors insurance records assembled there. The necessity of making benefit payments promptly would require a decentralization of the mechanism for making payments. This would mean a regionalization of the country, with paying stations in each region. Presumably, copies of the employees' rec-

ords assembled at Baltimore would be transmitted back to the appropriate paying station, for the purpose of paying the benefits when claimed. However, it can reasonably be assumed that workers would still continue to travel across the regional lines established by the Federal bureau, and this would require the setting up of something closely relating to the interstate benefit payment plan and the combining of wage credits plan, which have been worked out by the States. Unfortunately, federalization will not remove all of the complexities of the present program. Indeed it may, if experience is a teacher, serve to introduce further complications.

The Clerk read as follows:

Sec. 302. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"Sec. 1201. (a) In the event that the balance in a State's account in the Unemployment Trust Fund on June 30, 1945, or on the last day in any ensuing calendar quarter which ends prior to the termination date prescribed in section 503 of the War Mobilization and Reconversion Act, does not exceed a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment-compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the Unemployment Trust Fund an amount equal to the unemployment compensation paid out by it in the calendar quarter ending on such day, which is in excess of 2.7 percent of the total remuneration, paid during such quarter, subject to the State unemployment-compensation law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment-compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment fund of such State and shall be repaid to the Federal unemployment account from the unemployment fund of that State to the extent that the balance in the State's account in the Unemployment Trust Fund, at the end of any calendar quarter, exceeds a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment-compensation law of the State during that one of the two preceding calendar years preceding such day in which such deposits were higher. The Secretary of the Treasury shall, after the end of each calendar quarter, transfer from the unemployment account of each State in the Unemployment Trust Fund to the Federal unemployment account the amount required to be repaid from the unemploy-

ment fund of such State at the end of such quarter under this subsection."

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Page 39, after line 24, insert the following:

"Sec. 1202. (a) The Board is authorized on behalf of the United States to enter into agreements with any State or with the unemployment compensation agency of such State under which such State agency will make payments supplementary to those under its unemployment compensation law in accordance with the provisions of this section. Such agreements shall provide for supplementing the unemployment compensation payable under the unemployment compensation law of such State by such amount as the State may elect, not in excess of the amount found by the Board to be sufficient to provide, until the termination date prescribed by section 503 of the War Mobilization and Reconversion Act of 1944, (1) for paying, to individuals entitled to unemployment compensation under the law of such State, compensation at rates which (including the amounts of unemployment compensation otherwise payable under such State law) are calculated to equal, for a total week of unemployment, (A) 75 percent of the weekly wages of such individuals or (B) \$20, whichever is lesser, and (2) for paying to individuals entitled within a benefit year to unemployment compensation under the law of such State, an amount of unemployment compensation in such benefit year equal to compensation (at the rates specified in clause (1) of this subsection) for 26 weeks of total unemployment, before denying them unemployment compensation by reason of the exhaustion of their benefit rights. For the purposes of this subsection, the weekly wages of an individual shall be deemed to be the amount of remuneration, subject to the State law, paid him during the period used for determining his rate of compensation (A) divided by the number of weeks in such period if such period is the calendar quarter, within a period (specified in the State law) of at least three calendar quarters, in which his remuneration, subject to such law, was greatest, or (B) in case any other period is used, divided by the number of weeks other than weeks of total unemployment, in such period. No agreement under this section shall be valid if compensation to any individual under the State unemployment compensation law will be denied or reduced by reason of any payment made pursuant to such agreement or if the compensation payable to any individual under such State law is less than it would have been under the law of such State as it existed on July 1, 1944.

"(b) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all supplemental payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(c) In case of an agreement under this section that a State agency will make supplemental payments, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under this section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of such supplemental payments. Any money so paid to a State which is not used for the purpose for which it was paid

shall, upon termination of the agreement, be returned to the Treasury.

"(d) Determinations of entitlement to such supplemental payments made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

"(e) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the fiscal service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification."

Mr. COOPER (interrupting the reading of the amendment). Mr. Chairman, permit me to ask the gentleman from Michigan: This amendment proposes to provide for the payment of not to exceed \$20 a week for 26 weeks and up to 75 percent for the base pay?

Mr. DINGELL. That is right.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with for the reason the balance of it is only technical language.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

Mr. DINGELL. Mr. Chairman, the amendment which I propose here is in accordance with the recommendations which were made before the committee by the distinguished Mr. Justice Byrnes, who pointed out the inadequacy of the compensation provisions as they are generally applied. He recommended that the committee take some favorable action with regard to raising the amounts of unemployment compensation. He pointed out that unless this is done some other method or means would have to be found which, perhaps, would be more desirable even than the possible interference with so-called States rights.

Many of the States already pay \$20 per week or more. Many States provide benefits for a reasonably long period of unemployment. On the other hand, certain States are sadly deficient. They have failed to keep in step with the times and to provide for the needs of their unemployed. For these reasons, it becomes necessary, Mr. Chairman, to present an amendment of this nature at the present time.

As pointed out by the distinguished gentleman from New Jersey [Mr. WOLVERTON] in reference to the post-war unemployment situation and pointing to the effect that neglect of the problem may have on the period immediately following, it must be conceded that the States which have failed to bring up their unemployment compensation payments to meet reasonable needs are lacking in

vision and they are not going to contribute anything toward the maintenance of post-war prosperity. The amendment, I may say for the benefit of the Members, provides that the Federal Government, through the Social Security Board, shall enter into agreements with the various States and when an agreement has been reached the Federal Government will then pay the difference between what the State has been paying and what the amendment provides. I want you to know definitely it is a matter affecting the Federal Treasury, though I deem it absolutely essential in instances such as I pointed out yesterday where the minimum pay is \$2, \$3, and in some instances the provision amounts to only 50 cents for unemployment compensation, that something must be done. Something ought to be done now to elevate the standard.

The principal part of the amendment, as I see it now, is that part which provides for raising the basis of calculation from 40 or 50 percent, or whatever it happens to be in a given State, up to 75 percent, because we are particularly concerned about raising the compensation of those workers in the lower brackets.

This amendment will distinguish the Members here as to whether they are really interested in labor's welfare or not, and I say that with all due deference to those with whom I may honestly differ. This is the real test. States whose compensation have been so deficient, which have remained static, have no claim whatever now because we in the Federal Government have given them the right to use their discretion and to use their States' rights, but they have failed the worker in this critical moment.

I fail to see how any Member of this House can vote against it. I am particularly anxious about my numerous friends on the left who are here in force to aid me in bringing about this amendment at this particular time. May I say further, that if the States are willing to come up by themselves there can be no interference by this amendment, and the State funds are sufficient in most instances so that they can raise their own compensation.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. KNUTSON. Without divulging anything that happened in executive session at the last meeting of the committee, it is my recollection that the gentleman offered this amendment in the committee on the last day.

Mr. DINGELL. I do not remember what day it was, but I did offer it in committee.

Mr. EBERHARTER. It was reoffered in committee.

Mr. DINGELL. That is right; it was reoffered in committee on the last day. I do not want to divulge what happened in committee, because I may be divulging something that would not be exactly pleasant, but I will state that it was reoffered on the last day. It was originally offered early in the deliberations of the committee.

Mr. KNUTSON. And overwhelmingly defeated.

Mr. DINGELL. Yes; it was overwhelmingly defeated.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. PACE. Are the supplemental funds supplied by the Treasury in the nature of grants or loans to the States, under the gentleman's amendment?

Mr. DINGELL. They would be outright payments from the Federal Government; the difference between what the State paid and what the amendment provides for.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I am wondering if we can reach an agreement as to time on this amendment. I think most of what was said on the Dingell substitute applies to a considerable extent to this amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in not to exceed 20 minutes.

Mr. FORAND. Mr. Chairman, reserving the right to object, I would like to ask the gentleman this question: This does not apply to the title as a whole, but simply to this section?

Mr. COOPER. I stated as emphatically as I could: To this amendment and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, it is exceedingly difficult to plan our timing for conditions immediately after the close of the war. We must not slow down or quit producing too soon. Of course, we would like to minimize the cost of the war by changing from war production as soon as we may safely do so. Of course, being unable to predict the time of the cessation of hostilities accurately, we do not think of planning for the last bullet to shoot the last enemy, nor with anything like such accuracy. We know that we shall produce more than we shall need.

Now, in regard to production we have been quite generous in protecting the proprietary interests of the corporations producing our weapons and munitions of war. We have desired to safeguard them and they have seen to it that we have done so. How thoughtful have we been for the workers? What is the least that we should do for war workers?

We read some time ago that our great shipbuilder on the west coast gathered workers from as far away as New York City. Presumably he paid their expenses to the west coast and charged it up to Uncle Sam. Has he made any arrangement about shipping those people back to their homes in other States when

they are no longer needed in producing war orders? I imagine not. I think we should have made some arrangement in regard to it in the termination of contracts so as to hold the contractor responsible for the return of those workers who have been gathered from a distance. It was not written into the law, but it ought to be provided for, either in some law or by administration.

There are those who say the workers have received the highest wages in history and that they should have saved something for that very contingency at the end of the war. Perhaps so, but I doubt whether many of them have done it. The cost of living for these war workers has been high in war-boom communities and their real wage was much less than the pay envelope indicated. Of course, if we had provided for workers' return in the termination of contracts, I have not the least doubt but that Uncle Sam would have footed the bill anyway, merely paying it through the contractors.

There are many communities throughout the country where war work has been carried on intensively to which war workers have been attracted from great distances. Some of these communities may, but others probably will not, have peacetime industry which after an interval will pick up the employment of those dismissed from war work. What is the responsibility of the Government for such communities which will have a heavy strain thus thrown upon their local resources? I am not advocating that we give war workers joy rides and tourist excursions across the country, but I do feel that some feasible and sane provision ought to be worked out whereby dismissed war workers who must return to their former homes because they cannot get further employment in the communities where they have been in war work, may be returned and that the Federal Government should do this job.

In fairness to soldiers and for the good of our economy, I am one who thought that we ought to have had more liberal provisions even than our mustering-out pay for the members of the armed forces. I am one of several members who proposed that the soldier's regular pay be continued for several months after the close of the war and their discharge from the service. Certainly it is wise to provide for the production of weapons and ammunition enough for several months longer than the war will actually continue, because we cannot know when it will certainly stop. We do not take chances with a military foe.

Now, it seems to me that it would also be wise to regard as a part of the necessary war expenditures adequate financial provision for ex-service members and war workers so that they will not be cut off financially the very hour of the armistice. Not riotous living conditions but safety for all against an economic foe. This question has an economic aspect as well as an individual aspect which deserves to be recognized in this legislation.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I will try to pick up the speech that I started earlier this afternoon but which I was unable to finish.

Mr. Chairman, when the contract termination bill was under consideration by the House and by the committee, we were advised by witness after witness that, although billions of dollars of contracts were involved, and although the speedy termination of those contracts might cause some billions of dollars to be lost by the Government, nonetheless speedy termination was worth so much from the standpoint of effective reconversion of our economy that we ought not to be penny-wise and pound-foolish. Members of the House repeatedly said the same thing.

Today, however, when the consideration is the basic buying power of the masses of people of this Nation, the market for the goods of that very industry—the people of our country—we are urged to take an entirely different point of view, one which in my judgment has so far largely shut out the big consideration that should motivate our action and has focused upon meticulous detail of one kind or another and small considerations.

I want to try to give the House a few broad facts in support of the amendment offered by the gentleman from Michigan. That amendment will not upset a single State unemployment-compensation system. All it will do will be to superimpose on top thereof for the period of reconversion—and if anything ever was a national problem, that period of reconversion is—a scheme of Federal contributions to State payments so as to bring them up to 75 percent of basic wages, not to exceed \$20 per week in any case, and to make the extension of time 26 weeks.

Mr. Chairman, we are at the present time producing about \$180,000,000,000 or more of national wealth. Our paid-out national income is about \$157,000,000,000 per year. Our people are almost all employed. The reason we are doing that is that the Government is buying \$90,000,000,000 of that production for the war. The problem with which we are confronted today is, What is going to happen when that \$90,000,000,000 of Government orders is withdrawn? We are confronted with the problem of how we are going to see to it that when that happens we shall continue to have full production and full employment of our people, a market for the goods of full production, a market for the production of our agriculture, and a chance to keep tax revenues sufficient to meet the problem of national debt. The only way we can possibly do that is to expand, not contract, the market here at home among our own people.

I do not believe we can do that job by simply relying upon the State unemployment compensation systems during that reconversion period. I believe we must supplement those systems to a degree at least sufficient that we get this result.

In the families of America, there must, if reconversion is to be successful, be a reasonable assurance in the homes of America that their chance to live is not going to go down to such a point that they have to squeeze onto every dollar of savings they have, because every calculation for the future of orderly and speedy reconversion is based upon the volume of savings that exist today. But those savings, Mr. Chairman, will not be spent unless there is a reasonable assurance in the minds of the people that there is not going to be a long period of unemployment and distress and poverty in this country.

There does not have to be any such period. There is no sense in there being such a period. If there is such a period, there is going to be a most serious problem, and that problem will be faced by this Congress after it is too late, no matter what party is in power, by a huge appropriation for some emergency measure. I should like to see us face it now, provide for sustaining our home buying power and prevent the necessity of such action.

(Mr. VOORHIS of California asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I consider that this amendment, as presented by the gentleman from Michigan, is one that, if passed by this House, would go a great way toward the expenses of reconversion and the elimination of poverty and suffering of the millions of war workers in this Nation who have given their all in the production field during this war. A few months ago this Congress passed the Ruml plan. When we passed that plan we returned approximately \$8,000,000 in tax obligations. We canceled them and returned them to those most able to pay their taxes during this wartime period; a period of the highest earning year in our history up to that time. We have in the defense plant expansion loan, set up a 20-percent amortization clause to pay for those plants which these plans have built.

In many instances, if those plants do not make a dime of profit, it will equal \$20,000,000 or \$30,000,000 or \$50,000,000 in plant equipment, which will be useful in the post-war period, or a great deal of it at least. We have earmarked \$28,000,000 in excess taxes which can be returned under certain provisions to the corporations in the years immediately following X-day so that they can keep their earnings up to a certain percentage of their base period earnings. In our G. I. bill we have made provision for men in the armed forces to solve the terrible problem of rehabilitation and reconversion to civilian life of the members of our armed forces. What have we done for the workers? What have we done for the workers who made possible the guns, tanks, ships, and planes with which the men of our armed forces are now winning the war? To me, this is a question of whether you want to carry this reconversion through to a greater

number of people—and I am speaking in terms of numbers now—to a greater number of people, to workers and their families, to give them a chance, also, to rehabilitate themselves in the post-war period.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield to me for just a moment?

Mr. HOLIFIELD. I yield.

Mr. VOORHIS of California. Is it not true, that the only thing that can compensate in market demand for the Government's \$90,000,000,000 of war orders, is going to be an increase in the consumer demand for goods in the American market?

Mr. HOLIFIELD. Of course, the gentleman is perfectly right. Unless the workers of America have money to buy the goods which we are capable of producing, we will have another depression, which will make the last one look like a picnic.

Mr. Chairman, I ask for the adoption of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. LYNCH].

(Mr. LYNCH asked and received permission to revise and extend his remarks.)

Mr. LYNCH. Mr. Chairman, I have previously said that this bill means nothing to the American worker. There is no single provision in the bill which in anywise helps him. Here we have gone forward on the reconversion of industry. Now, when it comes to the point of doing something for the worker, I fear that this House is going to take the position that the worker is to be forgotten. I am in favor of this amendment because I feel that in this period of transition the Congress should do something for those who help win the war on the home front. At the present time, in the various State funds there are some \$6,000,000,000 in unemployment funds. That is more money than the States ever had in those funds. It has been caused by the fact that there has been greater employment during the past few years and because of the fact that the drain on such funds by reason of unemployment is practically negligible. Now, what we feel should be done with respect to these war workers is this: that if the Federal Government guarantee, as you intend it to guarantee, these funds, then the States ought to do something for that guaranty. I understand they could pay every claim which would be made upon them for the next year under the present provisions of law relative to the various State funds. In return for that guaranty let the State extend the benefits in larger sums than they are doing today. What does 50 cents a week unemployment compensation mean to a man who loses his job and has to keep his family going? Yet in one State the minimum payment is 50 cents a week and no payment is made until after 6 weeks. What does \$3 or \$4 a week mean insofar as unemployment benefits are concerned, as some States provide?

The only sensible thing for us to do, if we are going to do anything for the American worker who will be out of em-

ployment when the war is over, is to enlarge the money benefits of the unemployment compensation and to extend the period of payments to every 6 weeks. If we do not enlarge the payments and extend the time, we are going to be put back in the same position as the gentleman from California [Mr. VOORHIS] stated, that sooner or later we will be confronted with relief rolls. That is something I think none of us wants to see happen again in this country. On the other hand, if during the period of transition, unemployment benefits are increased from their present amounts and from their present duration to a term of 26 weeks and in the amounts as set forth in the amendment, it seems to me we will be able to carry the unemployed over a considerable distance. Therefore, I earnestly urge that in coming to your final determination on this amendment, you consider the fact that the present rates are wholly inadequate; that with the unemployment that will come, if the income of the country decreases to less than \$120,000,000,000, we will have a catastrophe in the country somewhat similar to the one we had in the late twenties and the early thirties.

The CHAIRMAN. The time of the gentleman from New York [Mr. LYNCH] has expired.

Mr. COOPER. Mr. Chairman, I rise in opposition to the amendment. I shall only ask the indulgence of the committee briefly to point out that as was indicated a few moments ago, this amendment was offered in committee and was overwhelmingly defeated.

It will be remembered that this bill provides for the present State unemployment systems to continue. As has been pointed out before, there is something like \$6,000,000,000 now in the State Unemployment Compensation funds. Those funds are growing at the rate of about a billion dollars a year. If the war should continue until 1945, there would be about \$7,000,000,000 in the State funds. I can see no reason why we should now say there should be additional money paid out of the Treasury of the United States to pay unemployment compensation benefits.

We have State systems enacted by the legislatures of the various States of the Union. We must assume that they know the conditions in their States. They have fixed the amounts of unemployment insurance benefits. They have fixed the time of duration for the payment of those benefits. There is no reason why the Congress should now say that the legislatures of all of the States were mistaken in the action which they took, and that we must now provide additional funds out of the Treasury of the United States to supplement the amounts that the various States of the Union have provided for the payment of unemployment compensation.

This amendment should not be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DINGELL].

The question was taken; and on a division (demanded by Mr. DINGELL) there were—ayes 41, noes 113.

So the amendment was rejected.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I desire to offer some comment on an article by the distinguished gentlewoman from Connecticut [Mrs. LUCE] which probably appears in many newspapers throughout the country, but it was published yesterday in the Philadelphia Inquirer, a paper of my home city.

I wish the gentlewoman were here; notwithstanding the fact that this is a most important piece of legislation she is not present. I called her office on the telephone to make sure she would be on the floor when I spoke, but was informed she was not in the city of Washington. I think I have the same chivalry as every Member of this House, and I deplore the necessity of entering into a controversy with one of the gentler sex, but when a Member of this House assumes the role of a news reporter and breaks into public print with statements that are irresponsible and unreliable I believe that he or she assumes responsibility for such statements; and I may say before I come to what I desire to comment upon that in the same column today the gentlewoman has this to say with respect to every Member of this House. She says:

Last week during the debate on the surplus property bill if the Members who dozed on the floor could be placed end to end they would be more comfortable.

With that I am not concerned, but the gentlewoman through innuendo and insinuation creates disunity in the United States; she attempts to convince the American people that the President of the United States is callous with regard to the welfare of the men who are fighting in the Pacific, and she quotes, or at least she says, that a high officer of the Naval Establishment urged the President not to make that trip; and I am quoting from her column. She says:

Admiral Nimitz urged the President not to go to Hawaii on the grounds that it would place a needless strain on the Air Force and naval personnel responsible for the President's safety and would accomplish nothing militarily.

Mr. Chairman, I can tell you on high naval authority that that statement is absolutely and unequivocally untrue. I should like the country to realize what the Members of this House think of the lady's judgment and what they think of her qualifications as an expert and I am going to go back into some of the history of this House. I hope the newspapers carry it.

You remember when we had the tax bill. The gentlewoman had only been a Member of this House several months.

Mr. MARTIN of Massachusetts. Mr. Chairman, I raise the point of order that

the gentleman from Pennsylvania has no right to talk about a Member of the House in that way.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I think the gentleman is out of order in raising the point of order.

Mr. MARTIN of Massachusetts. Mr. Chairman, I do not want to demand that the gentleman's words be taken down, but I think he ought to confine himself to the parliamentary situation. We were good enough to give him an opportunity to speak out of order.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I hope this is not taken out of my time.

Mr. Chairman, I wish the gentlewoman were here because I dislike to talk when she is not, but here is a statement made by her in the press yesterday and today which requires immediate rebuttal. I cannot stop because the gentlewoman is not here.

Mr. MARTIN of Massachusetts. Mr. Chairman, I do not think the gentleman confined himself to what was in the paper.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I cannot yield to the minority leader, much as I would like to, and I hope this is not taken out of my time.

The CHAIRMAN. The gentleman will proceed.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, when we had the tax bill under consideration, a bill that was labored upon by the Ways and Means Committee of this House, by men whose experience is second to none of any group of men in the United States, men who had spent hours in hard work, who had the advantage of expert testimony from the Treasury Department and from businessmen during hearings held daily for months, but the gentlewoman from Connecticut brought in her own bill. Not only is she an expert about military and naval operations and foreign affairs but she also professes to be an expert on taxation. She brought in her bill and this is what happened. She has the unique distinction of being the only Member of Congress in the history of the country who ever offered a bill that was defeated unanimously. We have thousands of measures which have passed unanimously in this House, but none defeated unanimously.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I am sorry. If the gentleman will request that I get 5 additional minutes I will be glad to yield.

Mr. MARTIN of Massachusetts. I will not make any such request.

Mr. BRADLEY of Pennsylvania. Then I cannot yield.

Mr. MARTIN of Massachusetts. The gentleman cannot prove that statement that it was defeated by an unanimous vote.

The regular order was demanded.

The CHAIRMAN. The gentleman will proceed.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, the circumstances were that the gentleman from California [Mr. GEARHART] offered that amendment in her behalf and he did it at the same

time he said he was sorry he could not vote for it. The gentlewoman was not here, and no other member voted for it, so she has the unique distinction of being the only Member of Congress who ever offered a bill that never got a single vote when it was on the floor.

Mr. GEARHART. Will the gentleman yield?

Mr. BRADLEY of Pennsylvania. I cannot yield.

Mr. GEARHART. I want to say to the gentleman the RECORD will not disclose that. I did vote for that amendment.

Mr. BRADLEY of Pennsylvania. The gentleman stated on the floor of the House in his remarks that he was not going to vote for it and the RECORD will show that statement unless the gentleman struck it from his remarks after he made it.

Mr. GEARHART. The RECORD will not show that at all.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I am not going to say that the gentlewoman deliberately published an untrue statement, but I will say that she received information from sources that perhaps had a malicious intent in giving her inaccurate information, and she has a duty when she assumes the mantle of a newspaper columnist to guard against the presentation of unverified rumors to the American people.

Mr. TABER. Mr. Chairman, I ask that the gentleman's words be taken down.

Mr. KNUTSON. Mr. Chairman, I think we are giving this too much attention.

Mr. TABER. Mr. Chairman, it is time this is ended.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I hope the gentlewoman in her future utterances will confine herself to facts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the pro forma amendment, and I ask unanimous consent to proceed out of order for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Chairman, it is unfortunate that this episode should have occurred, and I want to apologize to the galleries. It is most unusual to attack a colleague when absent from a session.

Mr. EBERHARTER. Mr. Chairman, a point of order.

Mr. KNUTSON. I have read the two articles written by the gentlewoman.

Mr. EBERHARTER. Mr. Chairman, I make the point of order that it is not proper within the rules of the House for a Member standing on the floor to address any remarks to the galleries.

Mr. KNUTSON. I did not address my remarks to the gallery.

The CHAIRMAN. The gentleman from Minnesota did not address his remarks to the gallery.

Mr. EBERHARTER. Mr. Chairman, I would like to have a ruling on the point of order.

The CHAIRMAN. The Chair overrules the point of order. The gentleman from Minnesota is recognized.

Mr. KNUTSON. I read the two articles written by the gentlewoman from Connecticut [Mrs. LUCE]. I thought they were very temperate. There were some things she might have said in connection with the President's recent trip—or should I say jaunt—to the Pacific that she refrained from telling. She did not inform the country that the President was accompanied by a flotilla of battleships, cruisers, and destroyers that should have been out in the far Pacific fighting the Japs. Neither did she comment upon the rumor that Falla, that little Scotty dog, had been inadvertently left behind at the Aleutians on the return trip, and that they did not discover the absence of the little doggie until the party reached Seattle, and that it is rumored a destroyer was sent a thousand miles to fetch him.

Mr. FORAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORAND: Page 39, after the period in line 24, add a new section as follows:

"UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

"SEC. 403. (a) The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII. UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

"SEC. 1301. (a) Any person who shall have rendered service as a civilian in the employ of the United States Government, after September 16, 1940, shall be entitled, in accordance with the applicable provisions of the unemployment compensation law of the State in which claim for compensation is filed, to receive compensation for each week of unemployment commencing after September 30, 1944, in the same amounts, on the same terms, and subject to the same conditions, as though the unemployment compensation laws of the several States did not exclude services performed in the employ of the United States Government. Any claim for compensation under this section shall be filed in a State in which a part of the service in the employ of the United States Government was performed. As used in this section, the term "United States Government" includes any wholly owned instrumentality of the United States.

"(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians in the employ of the United States Government, on the basis provided in subsection (a).

"(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(d) In the event that any State does not agree to make such payments to such persons, the Civil Service Commission is hereby authorized and directed to make such payments.

"(e) All departments, agencies, and instrumentalities of the United States are directed to make available to the appropriate State agency such information with reference to compensation of persons in the employ of the United States Government as may be necessary to determine the benefits payable under this title.

"(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

"(g) Determination of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

"(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification."

"SEC. 404. This act, and the amendments to the Social Security Act made thereby, shall cease to be effective at the end of the second full calendar year after the termination of hostilities in the present war as declared by Presidential proclamation or concurrent resolution of the Congress, except that the obligation of the State agencies to repay advances made from the Federal unemployment accounts shall remain effective until such advances are repaid. Any amounts so repaid after the end of such year, and any amounts in the Federal unemployment account at the end of such year, shall be covered into the general fund of the Treasury."

Mr. FORAND (interrupting the reading of the amendment). Mr. Chairman, I think I can save the time of the committee and try to make up for this little humorous sketch, or whatever it was we had here a few minutes ago. I ask unanimous consent that the reading of the amendment be dispensed with. If the members will refer to the copy of the bill they have, beginning on page 20, entitled "Unemployment compensation for Federal employees", which is a section of the George bill, they will have the amendment that is now pending before the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. TABER. Mr. Chairman, I reserve a point of order against the amendment.

Mr. FORAND. Mr. Chairman, the intent of my amendment is to restore to the bill as brought to the floor by the committee section 403 of the George bill providing for unemployment compensation for Federal employees. I need not go into the details of this amendment, because I am sure you are all familiar with it. I do, however, want to call attention to the fact that when this war ends, there will be some 2,000,000 Federal employees thrown out of work. Those employees, in many instances, could be receiving higher wages and better earnings if they were in private employment doing similar work. People doing similar work in private industry are eligible for unemployment compensation when the war ends, but those employed by the Federal Government, unless we do something about it, are left out in the cold.

The Federal Government through legislation passed by the Congress has provided that private employers shall make a contribution of 3 percent—some have called it an excise tax on their pay roll—toward the unemployment compensation fund. We compel private employers to do that for the benefit of their employees, but the largest employer in the country, the United States, has failed to do the same thing for its employees. Because of that fact, I think it is only fair that we should have legislation covering in for the life of this act those employees of the Federal Government who will be thrown out of employment. We are hopeful that business will be able to create jobs; that everybody will be employed, but we know that the Federal Government will not reconvert; it will not reemploy those same people that it is throwing out at the end of the war. Because of that fact, provision must be made for them.

Someone has said, "How much is that going to cost, and who has the figures?" I cannot give you the figures. Nobody can give you the figures relative to the cost of unemployment for those Federal employees who will be thrown out of employment, any more than you can tell me exactly how much this war is going to cost. But I can tell you that the cost of unemployment for these Federal employees will be governed by the success of our hope and our plans for reemployment of people after the war. I trust that you are going to give this amendment serious consideration.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Georgia.

Mr. RAMSPECK. As I understand the gentleman's amendment, it proposes to do the same thing for the Federal employees that the George bill does for private employees.

Mr. FORAND. That is absolutely correct. The amount paid and the handling of the cases will be governed strictly by State law.

Mr. RAMSPECK. Then I think it is a fair proposition and ought to be adopted.

Mr. FORAND. I thank the gentleman.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from California.

Mr. IZAC. Perhaps the lack of manpower in the naval establishments on the west coast and in our arsenals throughout the country is due to the fact that those men are now going into private industry where they will be protected when the cut-back comes, whereas they will not be protected, unless the gentleman's amendment is accepted, as long as they remain in Federal establishments.

Mr. FORAND. The gentleman is absolutely correct. I pointed that out in my remarks yesterday.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Virginia.

Mr. BLAND. Will that include the seamen who are working on ships that are run by the War Shipping Administration?

Mr. FORAND. There are certain seamen who are receiving their money now from the Federal Government, but I am told an amendment will be offered to cover all of them.

Mr. Chairman, I think the issue is clear. I ask every Member of the House to give serious consideration to this matter and to support the amendment.

Mr. TABER. Mr. Chairman, I make the point of order against the amendment that it is an appropriation of funds in violation of clause 4 of rule XXI of the House. I call the attention of the Chair particularly to this language. I refer to the page and line of the Senate bill rather than the amendment, because I have that in front of me and I assume the Chair can refer to it readily. It begins on page 21, line 6:

(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

(d) In the event that any State does not agree to make such payments to such persons, the Civil Service Commission is hereby authorized and directed to make such payments.

(e) All departments, agencies, and instrumentalities of the United States are directed to make available to the appropriate State agency such information with reference to compensation of persons in the employ of the United States Government as may be necessary to determine the benefits payable under this title.

(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

I make the additional point of order, Mr. Chairman, that the amendment is

not germane to the bill or any part of it, and I call attention to the provision on page 21, line 12:

In the event that any State does not agree to make such payments to such persons, the Civil Service Commission is hereby authorized and directed to make such payments.

It is not only perfectly clear that the whole amendment is a violation of clause 4 of rule XXI and is an appropriation direct but it is also clear that there is no reference anywhere else in the bill to the Civil Service Commission and no other function is required of the Civil Service Commission, so the amendment is not germane to the bill.

The CHAIRMAN. The Chair would like to make an inquiry of the gentleman from Rhode Island who offered the amendment, as to whether the provisions of the amendment as offered by him would authorize the taking of money from the Treasury without a direct appropriation?

Mr. FORAND. No; it does not, not any more than section 301, of title III, does.

The CHAIRMAN. If the gentleman will look at page 22, of the bill, subsection (h) which is similar to the language in his amendment, he will find the following language:

The Board shall, from time to time, certify to the Secretary of the Treasury for payment to each State, the sums payable to it under this section. The Secretary of the Treasury, through the fiscal service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification.

Can the gentleman from Rhode Island show how that is not included in the prohibition in the rule cited by the gentleman from New York?

Mr. FORAND. Mr. Chairman, I have not studied that point. I did not expect it was going to be raised. It has been carried in the Senate bill all the way through without a question, and I contend that title 301 (a), under title III, is in the same category. No point of order has been raised against that. So if one is subject to a point of order, I imagine both would be.

The CHAIRMAN. The Chair will state to the gentleman from Rhode Island that the rule under which we are considering this measure, waives points of order against the committee substitute, but not against the amendments which would be offered to that substitute. The rule cited by the gentleman from New York is very clear and specific:

No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, nor shall an amendment proposing an appropriation be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. A question of order on an appropriation in any such bill, joint resolution, or amendment thereto may be raised at any time.

In the opinion of the Chair, the language cited by the Chair and other language cited by the gentleman from New York, clearly provides for an appropriation.

Mr. FORAND. Mr. Chairman, if the committee amendment, which is an entire new bill, had not been brought to the floor of the House as it is now, we would be considering the George bill, and that would be in the George bill. Would not the rule given to us by the Committee on Rules clear that? We understood this was a broad rule.

The CHAIRMAN (Mr. LANHAM). Yes; the rule would clear the Senate bill, but we are not considering the Senate bill; we are considering the committee substitute amendment to the Senate bill. This is offered as an amendment to the committee amendment. In the opinion of the Chair the point of order is well taken.

The Chair sustains the point of order on the authorities cited.

Mr. ROONEY. Mr. Chairman, I was about to offer an amendment to the amendment proposed by the gentleman from Rhode Island [Mr. FORAND] so as to afford to our merchant seamen unemployment protection. I was prevented from so doing, however, when the point of order raised with regard to the Forand amendment to provide unemployment compensation for Federal employees was sustained by the Chair.

The question of unemployment protection for merchant seamen is, to say the least, most confusing. In 1935 upon enactment of the Social Security Act these seamen were omitted from its provisions for the sake of expediency. It was claimed at that time that the difficulties of administration would be insurmountable.

On Tuesday we were informed by report of the Ways and Means Committee that unemployment insurance for merchant seamen involves new taxation. If this be the case, the reconversion bill, now under discussion, having originated in the Senate, cannot be amended to provide a system covering seamen.

The distinguished gentleman from Virginia, chairman of the House Merchant Marine and Fisheries Committee, on the day before yesterday stated that after 3 or 4 years of consideration, his committee is close to a solution, but that the Speaker and the parliamentarian have insisted that the measure go to the Ways and Means Committee.

On the other hand, the so-called George bill, as passed by the Senate, covers 90 percent of our merchant seamen manning Government-owned and chartered vessels according to the War Shipping Administration.

Are we not confusing two different problems? One is the need of a permanent unemployment compensation system for maritime workers. Such a system has been advocated by the Social Security Board, by the President of these United States, and on the floor of this House on innumerable occasions. This system requires the taxation of private employers and must necessarily be founded in legislation originating in the House of Representatives. It has been studied and restudied. It is long past due and yet today passage does not seem near.

Problem No. 1 is to afford unemployment insurance to seamen working for private peacetime shipping. However, to-

day we have no private shipping. Nine out of every ten seamen are working directly for the Federal Government on vessels owned by or chartered to the War Shipping Administration. For the duration these men are working for the United States Government in a status which borders on the military.

The second problem is whether these seamen are entitled to certain of the readjustment provisions afforded members of the armed services. Certainly this Government owes them a guaranty of unemployment benefits for the transitional post-war years. We must assure unemployment benefits to our seamen for at least 2 years after the war as guaranteed in the Senate bill. At the same time Congress must go ahead immediately with the task of enacting a taxation measure for our peacetime merchant marine so that a large solvent fund will be available after the transitional years.

I am advised that Admiral Land, the War Shipping Administrator, in a communication to the chairman of the House Merchant Marine and Fisheries Committee dated August 23, has urged the granting of readjustment benefits to our seamen for the years immediately following the war upon the basis of the task merchant seamen have performed in the war, and in terms of the inadequacy of their existing rights, and those of their dependents, to meet the misfortunes of war.

Our merchant seamen are civilian volunteers who fight side by side with our servicemen. They are part of the great army in the Services of Supply. They are shipmates with Navy gun crews and with Army troops. When attack comes they frequently load and man the guns beside our fighting Navy men. For the men in the engine room attack means keeping on the job and waiting for the tin fish to hit or miss.

Why are these men out there volunteering?

It is not the fear of being drafted. Thousands of our seamen are over draft age, and thousands are boys of 16 and 17 years. They could be at home safe with their families. For the others who are of draft age I can say this: You do not get a job sitting on a load of high explosives knowing that more of your buddies have been killed proportionately than in any branch of the armed services if you are afraid to fight.

It is not the money. The annual "take home," including wages, overtime, and bonuses of our seamen ranges between \$1,600 and \$2,400 a year. They are skilled men who could be earning more in war jobs back home. Even in comparison with the men of the Navy gun crews, when one takes into account the various allotments and benefits that these Navy men receive, a seaman does not come off much better financially. The gun crews know it, too, and our Navy men and merchant seamen work like a well-trained team.

It is not the glory, either. No one is pinning medals on our merchant seamen. Few cities are opening their doors to them and inviting them to enjoy their hospitality.

Why, then, are they out there? Let a seaman answer. He writes:

Every day spent at sea either by the Navy or the merchant marine, days which could be spent with your wife or loved ones doing the things you would like to do, are days torn from your life. These are days that are marked down, and on your return—if you make it—you count them, saying, 'My God, could it be that long?'

At last leave, maybe 1 week, 2 weeks—who knows. Then one day someone asks for you, but you cannot be found. But I know where you are. You are out there where all hell is loose * * * above, below, and around you * * * but do you care? No. You have but one thought in mind. This, our America, is worth fighting for altogether.

Here is the answer. It is "Our America is worth fighting for."

Mr. Chairman, we owe these men some consideration for their war service. The War Shipping Administration has recommended provision for adequate hospitalization and medical care, allowances for the dependents of seamen who have given their lives in this war, education rights, retraining and rehabilitation and disability payments, in addition to readjustment allowances. There will be need for further legislation to pay these men the debt we owe them.

Today we are underwriting unemployment benefits for our war workers in the transition period. We have already been drawing legislation which gives some measure of protection to our returning veterans. We are told that our seamen come under neither of these categories. We are told they must be dealt with separately. Are they neither fish nor fowl? We must not exclude these men from the benefits of the reconversion legislation we draft today. We must grant them unemployment protection for the immediate post-war years.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 39, line 24, add the following new title, Title 4, section 401:

"Title II of the Social Security Act, as amended, is amended by adding at the end thereof the following new section:

"MILITARY SERVICE BENEFITS

"Sec. 210. (a) For the purposes of this title, an individual who is engaged in military service within the period beginning with October 1, 1940, and ending 1 year after the termination of the emergency declared by the President on May 27, 1941, shall be deemed to have been paid for each month in which he performs any military service within such period wages equal to the greater of the following: (1) \$100, or (2) the monthly average (not counting any part of such monthly average which exceeds \$250) of the wages received by him during the four calendar quarters immediately preceding the calendar quarter in which he began a period of military service which commenced after September 9, 1939.

"(b) The term 'military service' as used in this section means active service in the land or naval forces (including the Coast Guard) of the United States.

"(c) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury shall, at the request of the Social Security Board, furnish to the Board such information with respect to individuals who render military service under their respective jurisdictions as may be necessary for the purposes of this title.

"(d) There are hereby authorized to be appropriated from time to time to the trust fund, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to meet additional costs of payments under this title, and of administration, arising by reason of the provisions of this section."

Mr. COOPER. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from California [Mr. VOORHIS] that it is not germane to this bill or any part of it. It relates to military pay and allowances, which is certainly not within the scope of any thing in this bill.

Mr. VOORHIS of California. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman from California on the point of order.

Mr. VOORHIS of California. Mr. Chairman, my amendment seeks to amend the Social Security Act. The title of the bill reads "To amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes." All in the world my amendment does is to give credit, under title II of the Social Security Act, toward old-age annuity benefits to any man serving in the armed forces for the period of time that he serves therein. It seems to me that an amendment to amend the Social Security Act ought to be germane to this bill. That is what I seek to do.

Mr. COOPER. Mr. Chairman, I submit further that the gentleman's amendment is to title II of the Social Security Act, which is not in any sense dealt with in the pending bill at all. The only amendment to the Social Security Act in this bill relates to title III.

The CHAIRMAN (Mr. LANHAM). For the reasons cited by the gentleman from Tennessee [Mr. COOPER], which are controlling in the opinion of the Chair, the Chair sustains the point of order.

Mr. OUTLAND. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. OUTLAND: At the bottom of page 39, after line 24, add a new section, as follows:

"UNEMPLOYMENT COMPENSATION FOR PACKING-SHED WORKERS

"Sec. 403. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII—UNEMPLOYMENT COMPENSATION FOR PACKING-SHED WORKERS

"Sec. 1301 (a). Every unemployed qualified employee as defined in section 1301 (g) shall be entitled to interim placement benefits with respect to each week of unemployment or part week of unemployment. For a qualified employee the interim placement benefits payable for a week of unemployment in any benefit year shall be 75 percent of weekly wages, but shall not exceed \$20: *Provided*, That in any one year the benefits to any qualified employee shall not exceed 26 times the last weekly amount of interim placement benefits in any year.

"Sec. 1301 (b). The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services

performed by them as packing-shed workers, on the basis provided in subsection (a).

"Sec. 1301 (c). Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"Sec. 1301 (d). In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

"Sec. 1301 (e). Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

"Sec. 1301 (f). The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification.

"Sec. 1301 (g). Any unemployed person engaged in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market any agricultural or horticultural commodity shall be deemed to be a qualified employee; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

"Sec. 1301 (h). The same terms and conditions shall apply as though the unemployment compensation laws of the several States did not exclude the services performed by any qualified employee as defined in section 1301 (g)."

"Sec. 404. This act, and the amendments to the Social Security Act made thereby, shall cease to be effective at the end of the second full calendar year after the termination of hostilities in the present war as declared by Presidential proclamation or concurrent resolution of the Congress, except that the obligation of the State agencies to repay advances made from the Federal unemployment account shall remain effective until such ad-

varances are repaid. Any amounts in the Federal unemployment account at the end of such year, shall be covered into the general fund of the Treasury."

Mr. TABER. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane to this bill, that there is nothing in the bill at all relating to packing-shed workers, and there is nothing to which this amendment to the Social Security Act could be germane. I make the further point of order that the amendment provides for an appropriation of funds out of the Federal Treasury in violation of clause 4 of rule 21.

Mr. OUTLAND. Mr. Chairman, will the gentleman withhold his point of order?

Mr. TABER. I rather think we should dispose of it one way or the other at this time. It uses largely the same language as the previous amendment.

The CHAIRMAN. In the opinion of the Chair, a perusal of the amendment does make it clear that it makes an appropriation. For that reason and the reason cited to the previous amendment the Chair sustains the point of order.

Mr. OUTLAND. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. OUTLAND. Mr. Chairman, I have introduced this amendment hoping that by its adoption we may bring under the Social Security Act another segment of the working people of this country. I realize that this amendment is limited in scope, and that many other groups of American workers should likewise be covered. Personally, I hope for the day when we shall see all Americans covered during periods of unemployment, and with adequate insurance for their old age; that day is certainly coming, no matter how many temporary setbacks we have at the present time. However, I have limited this amendment to one particular group, the packing-shed workers, because it seems to me that of all the groups not now covered, this one is the most logical to be next included. Let us go back for a few minutes, and review the history of this situation.

Packing-shed workers were excluded from the Social Security Act by special act of Congress in 1939—Public Law No. 379, Seventy-sixth Congress, first session, chapter 666, section 209.1.4—under amendments added to the Social Security Act at that time. Previously agricultural labor had been defined by the Bureau of Internal Revenue as follows:

The term "agricultural labor" includes all services performed—

(a) By an employee, on a farm, in connection with the cultivation of the soil, the harvesting of crops, or the raising, feeding, or management of livestock, bees, and poultry; or

(b) By an employee in connection with the processing of articles from materials which were produced on a farm; also the packing, packaging, transportation, or marketing of those materials or articles. Such services do not constitute "agricultural labor," however, unless they are performed by an employee of

the owner or tenant of the farm on which the materials in their raw or natural state were produced, and unless such processing, packing, packaging, transportation, or marketing is carried on as an incident to ordinary farming operations as distinguished from manufacturing or commercial operations.

As used herein the term "farm" embraces the farm in the ordinarily accepted sense, and includes stock, dairy, poultry, fruit, and truck farms, plantations, ranches, ranges, and orchards.

The amendment of 1939 changed this definition to the following:

The term "agricultural labor" includes all services performed—

(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation, or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farm purposes.

(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

As used in this subsection, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

We all know that agricultural workers have always been excluded from the provisions of the Social Security Act, just as they have been excluded from the Fair Labor Standards Act and the National Labor Relations Act. However, the original injustice worked in this act was carried much further when the definition of agricultural labor was extended in 1939 to cover workers who are employed in operations which can hardly be distinguished from those of other industries. This move was the one successful achievement in a general campaign carried on over a period of years to deprive a large segment of workers from the protective legislation of the

past decade. Attempts to extend the definition of agricultural labor have been used as a device to achieve this end. Proposed amendments to the Fair Labor Standards Act in 1938 would have excluded some 3,000,000 industrial workers, including packing-shed, cannery, and warehouse workers. These amendments failed. However, the extension of the definition in the Social Security Act succeeded in removing one of these industrial groups, the packing-shed workers, from coverage under that act. It is to remedy this unjust situation that I offer this amendment to the pending bill, and I hope that the Members of this House will give most serious consideration to it.

What are the facts regarding the numbers of workers that would be covered by this proposed amendment? It is difficult to arrive at an accurate national employment figure for these workers, since there is no break-down either in the agricultural census or in any other census material specifically covering this group.

A rough estimate would put the national figure at around 200,000 jobs. Since a considerable portion of these workers migrate, hitting different jobs at peak seasons, this does not mean that there are 200,000 workers employed.

While there is considerable variation in the degree of mechanization in packing sheds, both according to crop and area, the typical packing shed in large specialty crop areas such as California, Arizona, Florida, Texas, and Washington, is an industrial plant comparable to a cannery or any other food-processing plant.

The conveyor-belt system used in the lettuce and citrus industries in California is characteristic of the modern mechanized packing shed. There is a high degree of specialization in different jobs, with the actual packing job the most highly skilled. Wrap-packing of fruits, including tomatoes, and packing of lettuce and melons are among the most highly skilled jobs. The work in a packing shed is generally performed by two types of workers—the itinerant "fruit tramp," who is a highly skilled and experienced worker and travels from job to job, and the "home guard," workers who live in the area and work during the seasonal peak in the packing shed and in other local industries during the off seasons where work is available.

The "tramp"—and this is a term of pride, not of opprobrium to the workers involved—has been the backbone of the industry and has filled the key jobs year after year. In California and Arizona a large proportion of the migrants are from Oklahoma, Arkansas, and other States, who went west and who by their initiative developed higher skills than those involved in agricultural field labor.

The migrants travel at their own expense and usually in family groups. In the lettuce industry, for example, the man will be employed as a packer and his wife as a trimmer. Frequently they have had difficulty in obtaining proper educational facilities for their children and in securing adequate medical and other community services. One of the main problems is housing.

Because allocation of manpower in these industries has been highly chaotic, the individual worker in most cases must make his own schedule and arrange for the dovetailing of one job with another. When there are crop failures, overlapping of seasons due to irregularities in harvesting periods, and so forth, he may find that he is unemployed through no fault of his own. While the casual nature of employment in the industry could be corrected to some extent by a more rational manpower program, the industry will always retain a considerable degree of hazard from the standpoint of providing full and continuous employment. This has proved to be true even during the war period when there has been a scarcity of labor, and it will certainly be true during a period of reconversion.

This industry has been largely concentrated in particular States. In California and Arizona the fresh fruit and vegetable packing industry employs a peak number of 47,600 jobs. Some of the major crops, together with annual production and value, are listed below:

Crop	Annual production	Value
Lettuce.....crates.....	20, 201, 000	\$70, 541, 000
Melons.....do.....	7, 488, 000	29, 145, 000
Carrots.....bushels.....	14, 464, 000	22, 385, 000
Tomatoes.....do.....	4, 897, 000	18, 373, 000
Oranges and grapefruit. boxes.....	60, 697, 000	135, 162, 280

The Salinas-Watsonville area is the largest single lettuce-producing area in the country. In 1943 it accounted for 53.3 percent of all carload shipments of lettuce in the United States.

In Florida some 25,000 workers are employed in the citrus and vegetable packing sheds. In Texas, primarily in the Rio Grande Valley, there is a concentration of grapefruit and vegetable production which employs approximately 15,000 workers. A somewhat smaller number than that cited for Florida is employed in Washington and Oregon. In addition there are major packing-shed operations in Idaho, potatoes and peas; Virginia, apples; Mississippi, vegetables; and a number of other States, including New York and Pennsylvania.

Many of the most highly skilled workers in the industry annually make the trek from California through Texas to Florida and back again. Others work on a circuit between California and the Pacific Northwest. Still others work up from Florida through Mississippi, Virginia, New York, and other Northeastern States. Within the California-Arizona area about half of the migrants follow the cycle from Salinas to Phoenix to Yuma and the Imperial Valley and back to Salinas. Others work the long season in Salinas and spend most of the rest of the year in the small fruit and melon "deals."

During the war period there has been considerable intensification of production in tomatoes, citrus fruits, and other specialty crops of high nutritive value. There has been some conversion of lettuce operations to more essential vegetables such as carrots and broccoli. A post-war program for continued expansion

of food production will require at least as many workers. However, two factors demonstrate the possibilities of a reconversion period of unemployment and the necessity for provision for these workers of emergency unemployment compensation during such a period.

First. Expanded food production for 1945 has not yet been definitely decided upon, since full employment in the agricultural and food-processing industries, in the last analysis, is dependent on full production and employment in basic industries generally. There is bound to be a period ahead with uncertain prospects. Particularly in the highly specialized crop industries of California the possibility that there may not be an adequate market can serve to create uncertainty in production. Furthermore, immediate foreign relief and rehabilitation food needs will not draw upon the fresh fruit and packing industries and this will accentuate the possibility of curtailing production.

Second. Even when the uncertainty of the immediate post-war period has been overcome, and assuming that the perspective will be one of full production and employment in both industry and agriculture, there may well be shifts in crops. The necessity for such shifts may come from changes in foreign needs, as well as changes in domestic consumption. Dislocation in employment may be expected when such shifts necessitate changes in packing-shed operations or in growing seasons.

Aside from the justice of the requests of workers in this industry that they be covered in any permanent social-security program, their contribution to the war effort through the production of vitally needed food products certainly entitles them to coverage under any emergency unemployment-compensation benefits.

Particularly in the States which are primarily agricultural, where great numbers of the packing-shed workers and agricultural workers are employed, their exclusion from unemployment compensation which is available to other workers will merely throw the burden to the State relief apparatus, and through reduction in the purchasing power of a major section of the population in these States special problems will be created affecting not only these workers themselves but the communities in which they live, the small businessmen whose customers they are, and the general level of prosperity in the States where they are employed.

In 1942-43 it was estimated that the average annual earnings of workers in the California-Arizona packing-shed industry did not exceed \$1,500 a year. Annual earnings remain at this low figure in spite of an average hourly rate of about 85 cents and in spite of increased production on a piece-work basis which has taken place during the war period. The chief cause is the casual nature of the employment and lapses between jobs, due both to improper allocation of manpower and causes beyond the control of the industry and the workers.

It is obvious that such annual earnings, which compare unfavorably with the estimated annual earnings of \$1,758

for California workers in nondurable goods industries in 1942, allow no margins for savings, and this group of workers can make no provisions for security in their later years through savings, insurance, and so forth.

How much more must we pay in the way of relief, how much more must we see endured in human suffering before the realization dawns that unemployment compensation is not charity and is not a dole—it is a measure not only to prevent human misery, but to sustain purchasing power. Unless the purchasing power of America is sustained on a level much higher than that maintained during the years immediately preceding the war, we shall see a serious depression descend upon our Nation. The inclusion in the Social Security Act of new segments of our working people, of which the packing-shed workers are among the most deserving, will help to prevent such a catastrophe. It is not only right and just; it is also plain common sense.

I am realistic enough to understand that the chance of extending the provisions of the Social Security Act in this bill to any new groups is extremely small. I say frankly, however, that if this amendment is not adopted I shall introduce a new bill into this House aimed at achieving the same end. Regardless of technical arguments which may be raised here, it is my firm conviction that we in Congress have a solemn obligation to the American people, an obligation to do everything in our power to prevent catastrophic depression and to insure as many of our people as is humanly possible against the ravages of unemployment and the misery of an insecure old age. We have spent hundreds of billions of dollars, and rightly so, in prosecuting the war against fascism; certainly we can afford to spend a very small fraction of that amount in order to help our people protect themselves during periods when they cannot find work no matter how hard they try and during their declining years. I, for one, fail to see why a man or a woman who is working in one particular field of American life should be excluded from the security which is extended to workers in other areas. Hunger is no respecter of technicalities. It will be a time for rejoicing when this Congress takes the steps necessary to place not only the packing-shed workers, but also those in other fields of industry not yet covered, under the provisions of the Social Security Act. May that time come soon.

Mr. JACKSON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JACKSON: Page 39, after line 24, insert the following:

"SEC. 303. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII. UNEMPLOYMENT COMPENSATION FOR CIVILIANS ON WAR SHIPPING ADMINISTRATION VESSELS

"SEC. 1301. (a) Any person who shall have performed service as a civilian on vessels owned by or bareboat chartered to the War Shipping Administration after September 16,

1940, shall be entitled, in accordance with provisions of the unemployment compensation law of the State with which claim for compensation is properly filed, to receive compensation for each week of unemployment commencing after September 30, 1944 and before the termination date prescribed in section 503 of the War Mobilization and Reconversion Act of 1944, in the same amounts, on the same terms, and subject to the same conditions as though such law had been applicable to all such services wherever performed. Any claim for compensation under this section shall be filed with the State in which a part of the service on vessels owned by or bareboat chartered to War Shipping Administration was performed except that if no part of the service was performed in any State, a claim may be filed with the District of Columbia. Any claim filed with a State under this section may be filed through the unemployment compensation agency of such State or the unemployment compensation agency of any other State.

"(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians on vessels owned by or bareboat chartered to the War Shipping Administration, on the basis provided in subsection (a).

"(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(d) In the event that any State does not agree to make such payments to such persons, the United States Maritime Commission is hereby authorized and directed to make such payments.

"(e) All departments, agencies, and instrumentalities of the United States are directed to make available and furnish to the appropriate State agency such information with reference to compensation of persons on vessels owned by or bareboat chartered to the War Shipping Administration and such other facts as may be necessary to determine the benefits payable under this title.

"(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State, from such sums as may be hereafter appropriated by the Congress for such purpose, such sum as the Board estimates the State will be entitled to receive for each quarter under such section; reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

"(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United

States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

"(h) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with such certification."

Mr. COOPER. Mr. Chairman, I regret very much to have to make a point of order against the amendment on the ground it is not germane and on the further ground it makes an appropriation, the same reasons heretofore advanced.

The CHAIRMAN. Does the gentleman from Washington desire to be heard on the point of order?

Mr. JACKSON. Mr. Chairman, I might state there is a provision in this amendment, section (f), which reads as follows:

In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State such sums as may be hereafter appropriated by the Congress for such purpose.

This is not a direct appropriation but an authorization.

The CHAIRMAN. The Chair calls the gentleman's attention to subsection (h) of his amendment:

The Board shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to it under this section. The Secretary of the Treasury, through the Fiscal Service of the Treasury Department, and prior to audit for settlement by the General Accounting Office, shall make payment in accordance with such certification.

It is the opinion of the Chair that that is clearly in violation of the rule formerly stated, and the Chair on that ground sustains the point of order.

Mr. JACKSON. Mr. Chairman, I offer the same amendment with section (h) deleted.

The Clerk read as follows:

Amendment offered by Mr. JACKSON: On page 39, after line 24, insert the following: "Sec. 303. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII. UNEMPLOYMENT COMPENSATION FOR CIVILIANS ON WAR SHIPPING ADMINISTRATION VESSELS

"SEC. 1301. (a) Any person who shall have performed service as a civilian on vessels owned by or bareboat chartered to the War Shipping Administration after September 16, 1940, shall be entitled, in accordance with provisions of the unemployment compensation law of the State with which claims for compensation is properly filed, to receive compensation for each week of unemployment commencing after September 30, 1944, and before the termination date prescribed in section 503 of the War Mobilization and Reconversion Act of 1944, in the same amounts, on the same terms, and subject to the same conditions as though such law had been applicable to all such services wherever performed. Any claim for compensation under this section shall be filed with the State in which a part of the service on vessels owned by or bareboat chartered to War Shipping Administration was performed except that if no part of the service was performed in any

State, a claim may be filed with the District of Columbia. Any claim filed with a State under this section may be filed through the unemployment compensation agency of such State or the unemployment compensation agency of any other State.

"(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians on vessels owned by or bareboat chartered to the War Shipping Administration, on the basis provided in subsection (a).

"(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(d) In the event that any State does not agree to make such payments to such persons, the United States Maritime Commission is hereby authorized and directed to make such payments.

"(e) All department, agencies, and instrumentalities of the United States are directed to make available and furnish to the appropriate State agency such information with reference to compensation of persons on vessels owned by or bareboat chartered to the War Shipping Administration and such other facts as may be necessary to determine the benefits payable under this title.

"(f) In case of an agreement under this section that a State agency will make payments as agent of the United States, there shall be paid in advance to the State from such sums as may be hereafter appropriated by the Congress for such purpose such sum as the Board estimates the State will be entitled to receive for each quarter under such section reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State. All money paid to a State under this subsection shall be used solely for the payment of unemployment compensation. Any money so paid to a State which is not used for the purpose for which it was paid shall, upon termination of the agreement, be returned to the Treasury.

"(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act."

Mr. JACKSON (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TABER. Mr. Chairman, I make the point of order against the amend-

ment on the same grounds that have heretofore been stated: First, that it is not germane; there is nothing in this bill relating to unemployment compensation to marine workers, and there is nothing that relates to unemployment compensation for any group who are not already covered. This is enlarging the scope, and therefore it is not germane.

I make the further point of order that the amendment is still an appropriation in violation of clause 4. I call particular attention to paragraph (d). The only paragraph that contains a provision for an appropriation is paragraph (f). Paragraph (e) is subject to the same objection. There is no change which brings it within the rule, and I therefore make the same point of order that has been made heretofore.

The CHAIRMAN. In the opinion of the Chair each point of order stated by the gentleman from New York is well taken, that the amendment is not germane to the committee amendment under consideration and the section as cited for making appropriation. The Chair sustains the point of order.

Mr. KEEFE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEEFE: Page 39, after the period in line 24, insert new sections 303 and 304, as follows:

"UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

"SEC. 303. (a) The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XIII. UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

"SEC. 1301. (a) Any person who shall have rendered service as a civilian in the employ of the United States Government, after September 16, 1940, shall be entitled, in accordance with the applicable provisions of the unemployment compensation law of the State against which claim for compensation is filed, to receive compensation for each week of unemployment commencing after September 30, 1944, in the same amounts, on the same terms, and subject to the same conditions, as though the unemployment compensation laws of the several States did not exclude services performed in the employ of the United States Government. Any claim for compensation under this section shall be filed against a State in which a part of the service in the employ of the United States Government was performed. As used in this section, the term "United States Government" includes any wholly owned instrumentality of the United States.

"(b) The Social Security Board is authorized on behalf of the United States to enter into an agreement with any State or with the unemployment compensation agency of such State, under which such State agency will make, as the agent of the United States, payments of unemployment compensation to individuals with respect to services performed by them as civilians in the employ of the United States Government, on the basis provided in subsection (a).

"(c) Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

"(e) All departments, agencies, and instrumentalities of the United States are directed to make available and furnish to the

appropriate State agency such information with reference to compensation of persons in the employ of the United States Government as may be necessary to determine the benefits under this title.

"(g) Determinations of entitlement to unemployment compensation made by a State agency under an agreement that such agency will act as agent of the United States under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment-compensation law, and only in such manner and to such extent. Such an agreement may require any officer or employee of the State disbursing funds pursuant to the agreement or otherwise participating in its performance to give a surety bond to the United States in such amount as the Board may deem necessary, and may provide for payment of the cost of such bond from appropriations for carrying out the purpose of this act.

"SEC. 304. The grants made by the Social Security Board under title III of the Social Security Act to each State agency entering into an agreement under the title shall be sufficient to cover the amounts necessary for the State agency's proper and efficient administration of such agreement under this title, and no segregation of such grants or expenditures shall be required."

Mr. TABER. Mr. Chairman, I make the point of order against the amendment that it is an appropriation on a bill coming from a committee other than the Committee on Appropriations, in violation of clause 4 of rule XXI.

The CHAIRMAN. Will the gentleman from New York cite the part of the amendment to which he directs his point of order?

Mr. TABER. It is this part:

Each State shall be entitled to receive from the Federal unemployment account for each quarter, beginning with the first quarter commencing after enactment of this act, an amount equal to the total of all payments of unemployment compensation made by such State during such quarter, pursuant to an agreement under this section.

If there were nothing else in it that would be enough.

On top of that, it is not germane to this part of the bill or to the bill we are now considering. There is nothing whatever in the bill we are considering, or in this part of the bill that relates to unemployment insurance for Federal employees. That is an entirely new subject that is not germane to this particular part of the bill, and therefore is out of order at this point.

The CHAIRMAN. Would the gentleman from Wisconsin like to be heard on the point of order?

Mr. KEEFE. Mr. Chairman, I would like to be heard on the point of order. Referring to the bill as reported by the committee, there is established, pursuant to the terms of the bill, an unemployment trust fund, "a Federal unemployment account." I am reading from it:

There is hereby authorized to be appropriated to such Federal unemployment account—

And so on. The bill as reported by the committee itself makes authorization for an appropriation to a Federal unemployment account. The entire provisions of title III and title XII of this bill relate to the entire subject of un-

employment-compensation payments. The amendment which I have offered in no sense provides for any appropriation, because it is provided, in the amendment as offered, that any payments that are to be made pursuant to the amendment shall be paid from the unemployment trust fund or Federal unemployment account, for which an appropriation is authorized under the terms of this bill.

On the subject of germaneness, if this particular subject matter which proposes an amendment to the provisions providing for unemployment compensation by amendment is not germane to the bill, two titles of which are devoted exclusively to the subject of payment of unemployment compensation, then it seems to me that the rule and the interpretation of the rule, as suggested by the gentleman from New York, is indeed a very restricted one.

Mr. COOPER. Mr. Chairman, I submit for the consideration of the Chair a further point than that asserted by the gentleman from New York. The gentleman from Wisconsin speaks of the pending bill authorizing an appropriation. Of course, that is not the language to which the point of order is made. The point of order is made because the gentleman's amendment seeks to appropriate money.

Mr. KEEFE. Will the gentleman point out where my amendment seeks to appropriate money?

Mr. COOPER. The committee having charge of the bill under consideration does not have authority to report appropriation bills. I submit to the Chair that the language cited by the gentleman from New York, "each State shall be entitled to receive from the Federal unemployment account for each quarter," means an appropriation. How can the State receive money without the money being paid to it? That means, of course, an appropriation, which would not be in order under this bill.

Mr. KEEFE. Mr. Chairman, may I be heard further? May I direct the attention of the Chair and of the gentleman from Tennessee to the fact that the very language in the amendment which the gentleman from Wisconsin has proposed, provides that the State shall be entitled to receive, not "from the Federal Treasury," but from the "Federal unemployment account," which is provided for in the language of the bill reported by this committee. There is no appropriation from the Treasury of the United States and there can be no payment from this account until the account is set up under the language of the bill through the appropriation which is provided for in this bill.

Mr. COOPER. Mr. Chairman, if I may be indulged one moment further. The fact is that Federal employees are not now covered under social security. There can be no dispute about that. The gentleman is seeking by his amendment to bring them under social security and to pay the money out of the Treasury of the United States to pay those benefits. Of course, that could not be done without an appropriation. That is what the amendment seeks to do, not to author-

ize an appropriation, but to pay the money out of the Federal Treasury to Federal employees.

Mr. CASE. Mr. Chairman, if I might I would like to submit an observation for the consideration of the Chair.

The rule providing for the consideration of this bill provided that the committee amendment should be considered as an original bill. The committee amendment, so far as I have been able to discover, in no place seeks to broaden the base of the Social Security Act. I have been unable to find any provision in the committee amendment which brings under the Social Security Act any new class of new employees. The amendment proposed by the gentleman from Wisconsin [Mr. KEEFE] clearly seeks to broaden the base of the Social Security Act by making a new class of employees eligible to its benefits. Therefore, it broadens the scope of the act and broadens the scope of the committee amendment; and consequently is not germane.

The CHAIRMAN (Mr. LANHAM). The Chair is ready to rule.

It is hardly necessary for the Chair to rule upon the question of whether or not subsection (c) of the proposed amendment comes within the rule forbidding appropriations under measures of this character, by reason of the fact that in the opinion of the Chair, in view of the fact that the committee substitute amendment under consideration deals in no way with unemployment compensation for Federal employees, the amendment which has been offered by the gentleman from Wisconsin is not germane to the pending amendment. On that ground the Chair sustains the point of order.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent that in support of the amendment offered by the gentleman from Rhode Island [Mr. FORAND] and the amendment offered by the gentleman from Wisconsin [Mr. KEEFE], I may be allowed to place my remarks in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, this amendment by my colleague, the gentleman from Wisconsin [FRANK B. KEEFE], is not only offered by a member with a background of familiarity with all the social legislation of Wisconsin, but also that enacted by the Congress. To me, this amendment is the Wisconsin idea and should become law.

When home a few weeks ago I read a press dispatch which quoted the Honorable ROBERT RAMSPECK, majority whip of his party and assistant chairman of the speakers bureau of his party as saying that after the war 2,000,000 of the 2,900,000 Federal employees were going to be removed from the Government payroll. I did not know whether this was a pre-election promise or was an end devoutly to be wished.

The article by the Honorable ROBERT RAMSPECK caused me to reflect as to just what effect this mass removal of people from war to civilian life would have on

the well-being of the individuals and on the economic life of this Nation.

First, I thought of the legislation that had been considered in the name of business. This was the renegotiation bill which has already been enacted in the law. There most assuredly is a human element in this renegotiation legislation as great harm could be caused the employees of both large and small business if it is not handled in a satisfactory manner. I also thought of the harm that could come to business, both large and small, and the effect it would have upon employees of these businesses if the surplus war materials were not disposed of in a sensible manner during wartime and during the post-war period.

Second, I thought of the effects of reconversion on the farm people of our nation. Many of them had increased their indebtedness in order to increase production although they did not come under the renegotiation procedure. If they had individual farm contracts no doubt they would have had this privilege. Then I thought of the protective legislation that the Congress had set up under the leadership of our late and highly respected colleague, the Honorable HENRY B. STEAGALL of Alabama. This provided for 90 percent of parity guaranty to farmers during the war and for two years after the war.

Third, I thought of the legislation still to be enacted and the effect that this reconversion would have not only on the 2,000,000 Federal employees that the gentleman from Georgia [Mr. RAMSPECK] said were surplus employees in peacetime, but the reconversion of the whole group of millions of wartime employees when and if it became necessary for them to again secure civilian employment.

Naturally, the human element becomes more apparent and more direct than in the legislation that has already been adopted. The great bulk of these Federal employees are in the lower income brackets. It is not their fault that too many are found in too many places. It is not their fault that an overtime cost-of-living bonus was provided Federal employees wherein the Federal employees receiving from \$10,000 up to \$15,000 a year get \$628.32, and the employees in the lower income brackets get half as much for meeting the same increased cost of living and putting in the same number of hours of overtime. It is not the fault of the great number of Federal employees in the lower income brackets that they have not had the protection of fair legislation any more than it is the fault of the farmer that the Agriculture Department has not lived up to the letter or the spirit of the law which is supposed to guarantee him the 90 percent of parity during the war and 2 years thereafter. These Federal employees should not be held responsible for the maladministration of the present administration.

The great weakness of the whole New Deal approach to legislation is that it is for the few at the expense of the many, whereas progressive legislation has always been for the greatest good for the

greatest number. We have tried to put it into operation in Wisconsin social legislation that is of the greatest benefit to the greatest number. If any group is to receive unemployment insurance, no logical reason can be presented why the people working for the Government, especially those receiving salaries that put them in the lower income brackets should not be provided the same protective legislation afforded other groups. The Federal employees in these lower income brackets are surely entitled to be included in the present bill.

Who can say that one of the young ladies from your district who answered the call of her Government and accepted a \$1,440 or \$1,620 job and came to Washington is not just as entitled to the protection of unemployment insurance as she would be provided if she went to work in the office of some war plant. The unemployment-insurance base should be broadened just the same as the social-security base should be broadened.

Upon inquiry you will find in Wisconsin labor, industry, and agriculture keenly recognize the dependence of one on the other. Wisconsin farmers know that labor is not going to buy their products unless it is employed at a fair wage. Labor and agriculture in Wisconsin look upon business as a friend and recognize that business is making a contribution as necessary as their own contribution to the economic welfare of their State and country.

If this post-war world of full employment is to be as extensive as it is so gloriously pictured there would be little need for funds for this unemployment insurance. If somewhere near full employment does not take place a rejuvenated W. P. A. with all of its ills can be expected.

Let us do our part to see that the machinery is set up to do the greatest good for the greatest number which is after all the American way of life.

The State system of unemployment insurance will be maintained.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to extend my remarks at the point immediately following the decision of the Chair on the point of order raised with respect to the amendment offered by the gentleman from Rhode Island [Mr. FORAND].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV—PUBLIC WORKS

SEC. 401. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances here-

under shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 percent in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 percent according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 percent of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all local or regional plan approved by competent local or regional authority.

(c) Loans or advances under this section to any public agency shall bear interest at the rate of 2½ percent per annum and shall be repaid by such agency within 5 years from the making of the loan or advance or, if the construction of the public works so planned is undertaken prior to the end of such 5 years, shall be repaid when such construction is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) As used in this section, the term "State" shall include the District of Columbia.

Mr. DIMOND. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: On page 41, line 16, after the word "Columbia", insert a comma and the following: "Alaska, Hawaii, and Puerto Rico."

Mr. COOPER. Mr. Chairman, I feel sure there will be no objection to that amendment.

Mr. KNUTSON. Mr. Chairman, as far as I am concerned, if it is agreeable to my colleagues on the committee, we will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska.

The amendment was agreed to.

Mr. DIMOND. Mr. Chairman, title IV of the bill reported by the Committee, which has thus been amended, provides for Federal loans and advances to the States and their agencies and political subdivisions for the purpose of making appropriate, detailed plans for post-war public works. Subsection (e), which is amended, provided that the term "States" shall include the District of Columbia. As now amended, the term "State" shall include not only the District of Columbia, but also Alaska, Hawaii, and Puerto Rico.

The bill as reported by the committee in this respect is identical with the language of the corresponding provision of the Senate bill. A history of the Senate bill shows that as originally introduced the bill included Alaska, Hawaii, and Puerto Rico as well as the District of Columbia in the public works title, but that Alaska, Hawaii, and Puerto Rico were stricken from the subsection when the bill was in course of passage in the Senate, as indicated by the following quoted from the RECORD of August 11, 1944, page 6979:

Mr. GEORGE. Mr. President, I may say that the words "Alaska, Hawaii, Puerto Rico" are to be stricken out for the reason that those insular possessions are under the jurisdiction of the Interior Department. It has seemed unwise to bring them into a general planning program inasmuch as the Cabinet member at the head of the Interior Department is already in the field with full authority to act in the premises.

While the Secretary of the Interior has large authority, and I suppose he may make plans with respect to the Territories and Puerto Rico if Congress appropriates money for that purpose—though I know of no such appropriation so far as Alaska, Hawaii, or Puerto Rico are concerned—he has neither the duty nor the right to make public-works plans for the governments of those Territories or for the cities therein situated. The governments of Alaska, Hawaii, and Puerto Rico are at least quasi-independent governmental agencies, created by acts of Congress, each enjoying considerable governmental authority, with large powers as respects taxation, and the cities possess virtually all of the authority of government exercised by the cities of the States. It is true that Congress may annul any act or any Territorial legislature, but so far as I recall, that power has never yet been put into operation.

Speaking of Alaska only, the impact of the war has affected its economy even more than it has affected the economy of some of the States. War work has brought thousands of people to the Territory. Gold mining has been almost entirely suspended. Transportation and travel have been restricted. Even our mail is still subject to censorship though there is not the slightest occasion for it. When the war is ended, adjustment to civilian economy will be difficult, and it is of the highest importance that ample plans for such adjustment be made promptly, not only by those Federal agencies like the Department of the Interior which have jurisdiction in Alaska but by the people of Alaska themselves, acting through their Territorial government and the governments of their several cities. The largest measure of home rule is just as valuable and just as much prized in Alaska as it is elsewhere. The citizens of the Territories, who are citizens of the United States, should be just as amply encouraged to plan for their own welfare as the citizens of the several States. Every reason that can be adduced in support of this title in its reference to the States and the District of Columbia has even added force for application to Alaska, Hawaii, and Puerto Rico.

Moreover, Alaska and Hawaii at least are embraced within all of the provisions of the income tax and other internal-revenue laws of the United States. All come fully within the scope of the Selective Service Act. The soldiers from the Territories are fighting on all of the battle fronts of the world with other American citizens. On all counts, we are entitled to treatment on parity with the States.

Mr. Chairman, we of these regions of the Nation not yet admitted to statehood—and Alaska and Hawaii are now

earnest applicants for that high status—are deeply sensible of the gracious action of the gentleman from Tennessee [Mr. COOPER] and the gentleman from Minnesota [Mr. KNUTSON] in recommending the amendment, and the House in accepting it without objection or debate, or even explanation. With such a spirit manifested, I feel confident that the amendment will be in the measure when it is finally passed and approved.

Mr. COOPER. Mr. Chairman, I offer a clarifying committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. COOPER: On page 41, line 2, after the word "over-all", insert the word "State"; and after the word "competent", insert the word "State."

Mr. COOPER. Mr. Chairman, this is only a clarifying amendment that was agreed to in the committee at a meeting of the committee this morning.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. LYNCH. Mr. Chairman, I believe everybody concedes that a program of public works will be necessary when this war is over. Both the other House and our own Ways and Means Committee conceded that to be necessary because they provided in title IV that loans shall be made to the States and to the municipalities for the purpose of drawing plans for public works.

The amendment I offer is to strike out the words "loans and advances" and insert in lieu thereof the word "grants." I also provide that no grant shall be in excess of 50 percent of the estimated planning cost for any individual project.

The reason for the grant rather than the loan or advance is that as I stated yesterday only 5 percent of all the public works that are contemplated are now in the blueprint stage where bids could be let within 60 days and work started. It seems to me most important that some stimulus should be given to the municipalities and States. They have the money to do planning to a certain extent, of course; nevertheless, we are faced with a situation that whether or not they do have the money they are not planning as they should plan in anticipation of the days of unemployment. None of us here wants a return to W. P. A.; we do not want any more leaf raking, any more boondoggling; we want public works that are well planned, are necessary, and that will be permanent. I believe that if we give grants instead of loans and advances to the States and municipalities that we shall furnish the stimulus that is so greatly desired.

Mr. DISNEY. Mr. Chairman, will the gentleman yield for a question?

Mr. LYNCH. I yield for a question.

Mr. DISNEY. Is not this like the bankrupt paying the claim?

Mr. LYNCH. I would not say it was the bankrupt paying the claim by any manner of means.

Mr. DISNEY. Another question: Are not all of these States practically out of debt? Can they not prepare these plans?

Mr. LYNCH. I would not say that all the States were out of debt, but I certainly would say that the States have some money with which to do this planning. The fact remains however that only 22 States have any completed plans. One State has no completed plans for public works; at least it so reported; and I presume the other 11 who have not reported to the Federal Works Agency or the Census Bureau likewise have no plans. I believe it is for the best interests of all that we get our local communities started on this system of planning for public works not with the idea of making a loan repayable in 5 years at an interest rate of 2½ percent but by a grant of 50 percent of the loan, but by an outright grant so there will be a stimulus to plan now for this necessary construction work.

Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LYNCH: On page 40, line 15, change the period to a colon and add the following: "Provided further, That no grant shall be in excess of 50 percentum of the estimated planning cost for any individual project"; and, on the same page strike out the words "loan or advances" appearing in lines 6, 7, 13, 16, and 25, and insert the word "grants" in lieu thereof.

Mr. TABER. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from New York [Mr. TABER] reserves a point of order against the amendment. The gentleman from New York [Mr. LYNCH] is recognized for 5 minutes.

Mr. LYNCH. Mr. Chairman, what does this present bill do? It puts the Federal Government squarely in the banking business. What municipality is going to go to the Federal Government to borrow for the purpose of making plans when they have to pay back within 5 years at 2½ percent? They can go into their local community and borrow for less. The fact they are not borrowing today is, to my way of thinking, an evidence they have no plans in contemplation for public works. If we do not have plans in readiness when the war ends, we are going to go back to those days of the W. P. A. Therefore, in view of all the testimony that has been given before the Subcommittee on Public Works of the Special Committee on Post-war and Economic Policy and Planning, unanimously favoring grants in order to get these public works started, I earnestly urge for the sake of your various communities that you adopt the amendment I have proposed.

Mr. TABER. Mr. Chairman, I make a point of order against the amendment on the ground it is not germane. An amendment adding the word "grants" to a provision providing for loans is clearly different and is not germane to the provisions of the bill, especially to the provisions of section 401. It is absolutely incongruous and I therefore insist on the point of order.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. LYNCH. Mr. Chairman, the title of this section is "Public Works," and it is stated: "In order to encourage States

and other non-Federal public agencies to make advance provision for the construction of public works" in which case certain loans or advances might be given.

It seems to me it is thoroughly germane to encourage the States and other non-Federal agencies public in nature and that grants be given in aid of these public works.

Mr. TABER. Mr. Chairman, I might call attention to page 41, paragraph (c) wherein every one of the loans and advances are required to be repaid, which clearly implies that no grants are intended. Grants are entirely incongruous and contradictory.

Mr. LYNCH. Grants are not contradictory because it might even read: "Grants, loans or advances;" so they would not be contradictory in any sense.

The CHAIRMAN. The Chair is ready to rule.

In the opinion of the Chair there is a very great difference between loans and advances and grants. The pending committee amendment refers only to loans and advances. In the opinion of the Chair, the provision for grants would not be germane to the committee amendment, and for that reason the Chair sustains the point of order.

Mr. DIMOND. Mr. Chairman, I ask unanimous consent to extend my remarks at the point immediately following the adoption of the amendment on page 41, line 16.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

The Clerk read as follows:

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. When used in this act—

(a) The term "executive agency" means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

(b) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

SEC. 502. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this act.

SEC. 503. The provisions of this act shall terminate at the end of 1 year after the termination of hostilities in the present war, as proclaimed by the President, or at such earlier time as the Senate shall have passed a Senate resolution, and the House of Representatives shall have passed a House resolution, declaring that no emergency exists which requires the further continuance of the provisions of this act; and the date on which the provisions of this act terminate shall also be the termination date for the purposes of sections 904 (h) and 1201 (a) of the Social Security Act, as amended.

SEC. 504. If any provision of this act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

SEC. 505. When the Director first appointed under section 101 has taken office, the Office of War Mobilization established by Executive Order No. 9347, dated May 27, 1943, and the agencies within such Office created by subsequent Executive orders, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Office of War Mobilization and Reconversion.

SEC. 506. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this act, and not inconsistent with this act, shall remain in full force and effect unless and until superseded by the Director in accordance with this act, or by operation of law.

SEC. 507. This act may be cited as the "War Mobilization and Reconversion Act of 1944."

Mr. POULSON. Mr. Chairman, this legislation known as War Mobilization and Reconversion Act of 1944, which we are now considering, will without a doubt have a great influence upon the economy of this country immediately following this war. Therefore, it is most important that we proceed with caution in passing S. 2051 as amended by the Ways and Means Committee.

I hold the greatest respect for the members of this committee and know they likewise consider this an important bill; however, I am afraid that they have been entirely too conservative in their amendments. The bill as reported to the committee was in itself a strong departure from what could be called a liberal bill.

This bill has been debated at length, but it is quite evident here that it is futile to attempt to amend any bill reported by this powerful Ways and Means Committee. I think this bill should have further consideration by the committee.

I think the bill is not equitable in discriminating against those Government employees working in the war effort, who are not covered by unemployment insurance.

I think more constructive steps should have been taken to raise the amounts allowed as unemployment insurance. We know that some States have exceedingly low benefit payments.

My colleague the gentleman from California [Mr. ROSEN] called your attention to the unworkable provisions for public works.

The gigantic task undertaken by this agency certainly calls for the advice and counsel of an advisory committee, which has been stricken out of the bill before us.

I voted for the Dingell amendment as I considered it a fair compromise between the two extreme versions originally discussed in both Houses.

We in California realize we will have many social problems unless provisions are made for the returning of war workers to their homes.

The post-war problems will not become acute until after we have whipped the Japs, therefore, I think the Ways and Means Committee should give this legislation further consideration, and I hope the bill is recommitted to the committee for further study.

The CHAIRMAN. The question is on the committee substitute, as amended, for the Senate bill.

The question was taken; and on a division (demanded by Mr. EBERHARTER) there were—ayes 162, nays 39.

So the committee substitute as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, pursuant to House Resolution 627, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FORAND. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. POULSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. POULSON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. POULSON moves to recommit the bill S. 2051 to the Committee on Ways and Means for further study.

Mr. COOPER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. FORAND. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

COMMITTEE ON ACCOUNTS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the Committee on Accounts be permitted to meet tomorrow afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

WAR MOBILIZATION AND RECONVERSION ACT OF 1944

Mr. DOUGHTON. Mr. Speaker, I move that the House insist on its amend-

ment to the bill S. 2051 and ask for a conference with the Senate.

The SPEAKER. Without objection, the motion of the gentleman from North Carolina is agreed to.

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Mr. DOUGHTON, Mr. COOPER, Mr. DISNEY, Mr. DINGELL, Mr. KNUTSON, Mr. REED of New York, and Mr. WOODRUFF of Michigan.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a letter to me from Secretary Hull.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BARRY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein three short editorials.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and to include therein a statement made by the commissioner of reclamation at Phoenix, Ariz.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein an excerpt from the Detroit Free Press.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WHITE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Record and to include certain communications.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to ex-

tend my remarks in the Record on two different subjects and to include an excerpt in each case.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. CELLER asked and received permission to extend his own remarks on two different subjects.)

LEAVE OF ABSENCE

Mr. POWERS. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New Jersey [Mr. AUCHINCLOSS] be granted a 5-day leave of absence, due to illness.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTENSION OF REMARKS

Mr. POWERS asked and received permission to extend his remarks in the Record.

Mr. POULSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that they be placed in the Record immediately following the conclusion of the reading of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a letter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CARLSON of Kansas. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole by including an article by Stanley Rector, Chief Counsel, Unemployment Compensation Department, Wisconsin Industrial Commission.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

(Mr. VORYS of Ohio asked and received permission to extend his remarks in the Appendix of the Record.)

CORRECTION OF THE RECORD

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that a correction be made in the Record. On page 7489, of

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued September 2, 1944, for actions of Friday, September 1, 1944)

(For staff of the Department only)

CONTENTS

Adjourned.....	5,9	Personnel.....	3,7	Property management.....	13
A.A.A. payments.....	4	Post-war planning,..	6,16	Soil conservation.....	13
Foreign policy.....	12	Price control.....	8	Subsidies.....	4
Foreign relief.....	2	Price supports.....	1	Transportation.....	14
Machinery, farm.....	2,15	Printing and binding..	11	Wildlife.....	12
Minerals.....	10				

HOUSE

- PRICE SUPPORTS. Rep. Dilweg, Wis., urged development of "techniques...for supporting the prices of [agricultural] commodities" and inserted a Milwaukee Journal editorial on this subject (p. 7587).
- FARM MACHINERY; FOREIGN RELIEF. Rep. Johnson, Ill., criticized UNRRA's request for American farm machinery for distribution in Europe (pp. 7596-7).
- PERSONNEL. Civil Service Committee reported: without amendment H.R. 4414, to provide for an overtime pay rate of 15 % of the annual base pay as does not exceed \$2,000 or more (H. Rept. 1835); with amendment H.R. 4918, to provide for the payment for accumulated or accrued annual leave due upon separation from Government service (H. Rept. 1836); and with amendment H.R. 5257, to provide for health programs for Government employees (H. Rept. 1837) (p. 7599).
- SUBSIDIES; AAA PAYMENTS. Received from sundry Kans. citizens petitions favoring legislation for refunding wheat penalty payments and opposing subsidies on farm commodities and "demanding" a fair market price for everybody (p. 7599).
- ADJOURNED until Tues., Sept. 5 (p. 7598).

SENATE

- POST-WAR PLANNING. Reps. Doughton, Cooper, Disney, Dingell, Knutson, Reed, and Woodruff (Aug. 31) and Sens. George, Walsh (Mass.), Barkley, Vandenberg, and Taft were appointed conferees on S. 2051, the demobilization-reconversion bill (pp. 7571, 7575).
- PERSONNEL. Agreed to Sen. Stewart's (Tenn.) motion to discharge the Civil Service Committee from further consideration of S. 521, providing that no person shall be eligible to hold any civil position or office under the U. S., and in continental U. S., unless such person is a U. S. Citizen, and to refer this bill to the Immigration Committee (p. 7574).

8. PRICE CONTROL. Sen. Langer, N. Dak., criticized OPA's ruling on trebi barley and inserted a constituent's letter stating that this ruling "is ridiculous" (p. 7574).

9. ADJOURNED until Tues., Sept. 5 (p. 7579).

BILLS INTRODUCED

10. MINERALS. By Rep. Engle, Calif., H.R. 5290, and Sen. Hayden, Nev., S. 2125, to permit the sale in foreign markets of newly mined gold or silver produced within the U. S., its Territories and possessions, including Alaska, and which may be surplus to the war effort. To Ways and Means Committee. (p. 7573, 7599.)
11. PRINTING AND BINDING. By Rep. Rees, Kans., H.R. 5292, to establish, in the executive branch of the Government, an office of Printing Control. To Printing Committee. Remarks of author criticizing government printing costs, including maintenance of duplicating machines in the various agencies (pp. 7592-4, 7599).
12. WILDLIFE. By Rep. Dilweg., Wis., H. R. 5295, relating to the domestic raising of fur-bearing animals. To Merchant Marine and Fisheries Committee. (p. 7599.)

ITEMS IN APPENDIX

13. SURPLUS PROPERTY. Extension of remarks of Rep. Johnson, Okla., including Hon. J. C. Nance's editorial, urging the channeling of surplus war material into all types of projects, and particularly into soil-conservation work (p. A4146).
14. TRANSPORTATION. Sen. Aiken, Vt., inserted a Chicago Daily News editorial urging construction of the St. Lawrence seaway (p. A4146).
Extension of remarks of Rep. Bryson, S. C., including a Greenville, S. C., C of C resolution urging Federal-aid-to-highways legislation (pp. A4155-6).
15. FARM MACHINERY. Extension of remarks of Rep. Carlson, Kans., including correspondence between himself and Director Geissler (Western Div., AAA) on the need for mechanical corn pickers in Kansas (pp. A4146-7).
16. POST-WAR PLANNING. Speech in the House by Rep. Miller, Conn., favoring the amendment to S. 2051, the demobilization-reconversion bill, which would require completion of contracts so that unfinished items of machinery would not have to be wasted (pp. A4147-8).
Extension of remarks of Rep. Miller, Conn., stating that "the bill now before us [on reconversion] is disappointing" and that "it fails to meet our needs" (p. A4162).
17. FOREIGN POLICY. Rep. Woodruff, Mich., inserted a Farm Journal editorial urging development of a foreign policy beneficial to the farmers (pp. A4151-2).

- o -

For supplemental information and copies of legislative material referred to, call Ext., 4654, or send to Room 112, Administration Building. Arrangements may be made to be kept advised of developments on any particular bill.

- o -

78TH CONGRESS
2D SESSION

S. 2051

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 1, 1944

Ordered to be printed with the amendment of the House of Representatives

AN ACT

To amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

1. *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—GENERAL PROVISIONS**

4 **SEC. 101.** The Congress hereby declares that the objee-
5 tives of this Act are—

6 ~~(a)~~ to facilitate maximum war production during
7 the war and to expedite the transition from war to peace;

8 ~~(b)~~ to achieve full employment, rising standards
9 of living, and effective utilization of the Nation's re-

1 sources during the period of transition from war to peace,
2 and thereafter; and

3 (c) to provide for the development of unified plans
4 and projects and adequate machinery to achieve the
5 foregoing objectives.

6 SEC. 102 (a) There is hereby established the Office
7 of War Mobilization and Reconversion, which shall be headed
8 by the Director of War Mobilization and Reconversion
9 (hereinafter called the "Director"). The Director shall be
10 appointed by the President, by and with the advice and
11 consent of the Senate, shall receive compensation at the rate
12 of \$15,000 per year, and shall serve for a term of two years.

13 (b) The following agencies shall be placed within the
14 Office of War Mobilization and Reconversion:

15 (1) Office of Contract Settlement, created by the Con-
16 tract Settlement Act of 1944.

17 (2) Surplus War Property Administration, created by
18 Executive Order Numbered 9425, and any surplus war
19 property administration hereafter created by statute.

20 (3) Retraining and Reemployment Administration,
21 created by Executive Order Numbered 9427, and any similar
22 office or administration created in this or any other Act.

23 Nothing in this subsection shall imply any derogation
24 of the powers of the Director under subsection (c) with

1 respect to other agencies not specifically placed within his
2 office.

3 ~~(c)~~ In addition to any powers which the President may
4 delegate to him for the purpose of more effectively coordinat-
5 ing the mobilization of the Nation for war, and for the pur-
6 pose of more effectively attaining the objectives of this Act,
7 the Director shall, subject to the direction of the President—

8 ~~(1)~~ formulate or have formulated such plans as are
9 necessary to meet the problems arising out of the transi-
10 tion from war to peace in such a manner as to achieve
11 the objectives of this Act;

12 ~~(2)~~ issue such directives to other executive agencies
13 as may be necessary to carry out their powers in a man-
14 ner consistent with the plans formulated under this sec-
15 tion or to coordinate the activities of other executive
16 agencies with respect to the problems arising out of the
17 transition from war to peace. Each executive agency
18 shall carry out the directives of the Director expedi-
19 tiously and, to the extent necessary to carry out such
20 directives, shall modify its operations and procedures
21 and issue regulations with respect thereto. Nothing
22 contained in this section shall be construed as authoriz-
23 ing any activities which are not within the scope of the
24 powers possessed by the President or the executive

1 agencies under existing law or future Acts of the Con-
2 gress;

3 ~~(3)~~ recommend to the Congress appropriate legis-
4 lation providing authority to carry out plans developed
5 under this section but not authorized under existing law;

6 ~~(4)~~ promote and assist in the development of de-
7 mobilization and reconversion plans by other executive
8 agencies; develop procedures whereby each executive
9 agency is kept informed of proposed demobilization and
10 reconversion plans and proposals which relate to its work
11 and which are being developed or carried out by other
12 executive agencies; and settle controversies between such
13 executive agencies in the development and administra-
14 tion of such plans;

15 ~~(5)~~ cause studies and reports to be made for him
16 by the various executive agencies which will enable
17 him to determine the need for the simplification, con-
18 solidation, or elimination of such executive agencies as
19 have been established for the purposes of the war emer-
20 gency, for the termination, or establishment by statute,
21 of such agencies as now exist under Executive order
22 only, and for the relaxation or removal of emergency
23 war controls;

24 ~~(6)~~ institute a specific study, for submission to
25 the President and the Congress, of the present functions

1 of the various executive agencies in the field of man-
2 power, and develop a program for reorganizing and
3 consolidating such agencies to the fullest extent
4 practicable;

5 (7) consult and cooperate with State and local
6 governments, industry, labor, agriculture, and other
7 groups, both national and local, concerning methods of
8 achieving the objectives of this Act; and

9 (8) submit reports to the President, the Senate,
10 and the House of Representatives on the 1st days of
11 January, April, July, and October, on the activities
12 undertaken or contemplated by him under this Act.
13 Such reports shall summarize and appraise the activities
14 of the various executive agencies in the field of demobili-
15 zation and post-war adjustment, and may include such
16 legislative proposals as he may deem necessary or
17 desirable.

18 (d) The Director shall, within the limits of funds which
19 may be made available, employ and fix the compensation
20 of such deputy directors and other officers and employees,
21 and may make such expenditures for supplies, facilities, and
22 services as may be necessary to carry out his functions and
23 the functions of the Office. All such officers and employees
24 shall be appointed in accordance with the civil-service laws
25 and their compensation fixed in accordance with the Classi-

1 fication Act of 1923, as amended, except that Deputy Di-
2 rectors and expert administrative, technical, and professional
3 personnel may be employed and their compensation fixed
4 without regard to such laws. To the fullest extent prac-
5 ticable, the Director shall perform the duties imposed upon
6 him through the facilities and personnel of other Govern-
7 ment agencies. The Director may require such reports and
8 information from other Government agencies as he deems
9 necessary to enable him to carry out his functions under this
10 Act, and each Government agency shall furnish any infor-
11 mation and reports so required.

12 SEC. 103. There is hereby created an advisory board,
13 the members of which shall be appointed by the President,
14 by and with the advice and consent of the Senate, and which
15 shall include three representatives of industry, three repre-
16 sentatives of labor, three representatives of agriculture, and
17 three public members, one of whom shall be Chairman.

18 It shall be the general function of the board to advise
19 with the Director with respect to war mobilization and re-
20 conversion and make to him such recommendations relating
21 to legislation, policies, and procedures as it may deem neces-
22 sary to achieve the objectives of this Act.

23 Members of the board shall receive a per diem allowance
24 of \$25 for each day spent in the actual performance of duty,

1 plus necessary traveling and other expenses incurred while
2 so engaged.

3 SEC. 104. (a) There is hereby established a Special
4 Joint Committee on Post-war Adjustment (hereinafter re-
5 ferred to as the "committee") to be composed of four Mem-
6 bers of the Senate (not more than two of whom shall be
7 members of the majority party) to be appointed by the
8 President of the Senate, and four Members of the House of
9 Representatives (not more than two of whom shall be mem-
10 bers of the majority party) to be appointed by the Speaker
11 of the House of Representatives. Vacancies in the member-
12 ship of the committee shall not affect the power of the re-
13 maining members to execute the functions of the committee,
14 and shall be filled in the same manner as in the case of the
15 original selection. The committee shall select a chairman
16 and a vice chairman from among its members. The com-
17 mittee is empowered to appoint and fix the compensation of
18 such experts, consultants, technicians, and clerical and steno-
19 graphic assistants as it deems necessary and advisable. The
20 committee may utilize such voluntary and uncompensated
21 services as it deems necessary, and is authorized to utilize
22 the services, information, facilities, and personnel of the de-
23 partments and agencies of the Government. The expenses
24 of the committee shall be paid one-half from the contingent

1 fund of the Senate and one-half from the contingent fund of
2 the House of Representatives upon vouchers signed by the
3 chairman.

4 (b) It shall be the function of the committee—

5 (1) to make a full and complete study and investi-
6 gation with regard to legislation on demobilization and
7 post-war adjustment in cooperation with such public and
8 private agencies and such persons as it might see fit to
9 consult;

10 (2) to consult with the President and the Director
11 on the need for legislation on demobilization and post-
12 war adjustment;

13 (3) to consult with the appropriate standing com-
14 mittees in the Senate and in the House of Representa-
15 tives on the preparation of demobilization and post-war
16 adjustment legislation, and on methods of obtaining ex-
17 peditious action on demobilization and post-war adjust-
18 ment legislation by achieving coordination among, and
19 avoiding duplication of effort between, such committees;
20 and

21 (4) to study and review each report submitted to
22 the Congress by the Director, and otherwise maintain
23 continuous surveillance of the operations of the Director
24 and other executive agencies under this Act.

1 TITLE II—INDUSTRIAL DEMOBILIZATION AND
2 RECONVERSION

3 SEC. 201. Any contracting agency shall terminate prime
4 contracts for war production whenever in the opinion of
5 the agency the performance under such contracts will not
6 be needed for the prosecution of the war, and shall not
7 continue performance under such contracts merely for the
8 purpose of providing business and employment, or for any
9 purposes other than the prosecution of the war, unless the
10 continuation of some or all of the work under any such
11 contract will benefit the Government or is necessary to avoid
12 substantial injury to a plant or property.

13 SEC. 202. Curtailments of war production or termi-
14 nations of war contracts shall be integrated and synchronized
15 with the expansion, resumption, or initiation of production
16 for other war purposes, and, to the greatest extent com-
17 patible with the effective prosecution of the war, of produc-
18 tion for nonwar use. To effectuate this policy—

19 (a) the contracting agencies shall continuously sur-
20 vey their product and material requirements and report
21 to the Director, in such form and detail as he may de-
22 termine, on current and anticipated changes in require-
23 ments and on all anticipated curtailments of war pro-
24 duction or terminations of war contracts;

1 (b) the Government agencies exercising control
2 over manpower, production, or materials shall permit
3 the expansion, resumption, or initiation of production
4 for nonwar use whenever such production does not
5 require materials, components, facilities, or labor needed
6 for war purposes, or will not otherwise adversely affect
7 or interfere with the production for war purposes. Such
8 production for nonwar use shall be permitted regardless
9 of whether one or more competitors normally engaged
10 in the same type of production are still engaged in the
11 performance under any contract which is needed for
12 the prosecution of the war, and shall not be made
13 dependent upon the existence of a concern or the func-
14 tioning of a concern in a given field of activity at a
15 given time;

16 (c) the Director shall—

17 (1) establish policies to be followed by the
18 contracting agencies in selecting individual con-
19 tracts or classes of contracts for curtailment, non-
20 renewal, or termination;

21 (2) establish policies providing for full consul-
22 tation between the Government agencies, war con-
23 tractors, and the representatives of the employees
24 of war contractors with regard to obtaining the most
25 effective use in other war production or in produc-

1 tion for non-war use of facilities and manpower to
2 be released through anticipated curtailments in war
3 production or terminations of war contracts.

4 SEC. 203. (a) Whenever the expansion, resumption, or
5 initiation of production for non-war use is authorized by any
6 Government agency having control over manpower, produc-
7 tion, or materials, on a restricted basis, the restrictions im-
8 posed shall not be such as to prevent any small plant capable
9 and desirous of participating in such expansion, resumption,
10 or initiation of production for non-war use from so participat-
11 ing in such production.

12 (b) There is hereby created in the Office of War Mo-
13 bilization and Reconversion a Board of Appeals to consist
14 of three members appointed by the President by and with
15 the advice and consent of the Senate, each of whom shall
16 receive compensation at the rate of \$8,000 per year, and
17 shall serve for a term of two years. When any person is
18 aggrieved by the action of any such Government agency
19 referred to in subsection (a) in allocating available materials
20 for the production of any item or group of items for non-war
21 use, such person shall, upon application therefor under such
22 regulations as the Director may prescribe, be afforded an
23 opportunity forthwith to present his views thereon at a
24 hearing before the Board of Appeals. If, at such hearing,
25 such person establishes to the satisfaction of the Board of

1 Appeals that as a result of such action his business operations
2 will be seriously interfered with or substantially curtailed
3 because of a shortage of any material necessary to such
4 operations, that his inability to continue business operations
5 will result in a serious unemployment problem for his em-
6 ployees, or that the interests of the consumers of the articles
7 produced or manufactured by such person will be substan-
8 tially impaired, the Board of Appeals shall make an im-
9 mediate report thereon to the Director. Thereupon the
10 Director shall allocate to such person such amounts of the
11 material with respect to which the shortage exists as in his
12 judgment will be necessary to prevent substantial hardship
13 to such person, his employees, or consumers.

14 SEC. 204. The Attorney General is directed to make
15 surveys for the purpose of determining any factors which
16 may tend to eliminate competition, create or strengthen
17 monopolies, injure small business, or otherwise promote
18 undue concentration of economic power in the course of war
19 mobilization and during the period of transition from war to
20 peace and thereafter. The Attorney General shall submit
21 to the Congress within ninety days after the approval of this
22 Act, and at such times thereafter as he deems desirable,
23 reports setting forth the results of such surveys and including
24 recommendations for such legislation as he may deem neces-
25 sary or desirable.

1 TITLE III—RETRAINING AND REEMPLOYMENT

2 SEC. 301. There is hereby established a Retraining and
3 Reemployment Administration (hereinafter referred to as
4 the "Administration"); the functions of which, subject to
5 the general supervision of the Director of War Mobilization
6 and Reconversion, shall be exercised by a Retraining and
7 Reemployment Administrator (hereinafter in this title re-
8 ferred to as the "Administrator"); to be appointed by the
9 Director of War Mobilization and Reconversion, at a salary
10 of \$12,000 per annum.

11 SEC. 302. With the assistance of a Retraining and Re-
12 employment Policy Board, composed of a representative of
13 the Department of Labor, the Federal Security Agency, the
14 War Manpower Commission, the Selective Service System,
15 the Veterans' Administration, the Civil Service Commission,
16 the War Department, the Navy Department, and the War
17 Production Board, it shall be the function of the Adminis-
18 tration—

19 (a) to have general supervision and direction of
20 the activities of all Government agencies relating to the
21 retraining and reemployment of persons released from
22 war work, including all work directly affected by the
23 cessation of hostilities or the reduction of the war pro-
24 gram and to issue necessary regulations in connection
25 therewith. Nothing in this section shall be deemed in

1 any extent to affect, amend or modify the powers now
2 vested in the Veterans' Administration or the Adminis-
3 trator of Veterans' Affairs.

4 (b) in consultation with the Government agencies
5 concerned, to develop plans and programs relating to
6 such retraining and reemployment.

7 SEC. 303. The Administrator shall have power to pro-
8 vide transportation, including transportation of dependents
9 and household effects for civilian workers who have been
10 employed in activities essential to the war effort, from the
11 place of such employment to the location of their bona fide
12 residence within the continental United States prior to their
13 migration to war employment, or, at the election of such
14 worker, to any other location of new employment arranged
15 by the worker: *Provided*, That the cost of such transporta-
16 tion shall not exceed \$200 for any one worker, his depend-
17 ents, and household effects, and shall not exceed the amount
18 allowable for civilian employees of the several departments
19 and independent establishments of the Federal Government
20 in the Standard Government Travel Regulations.

21 SEC. 304. The War and Navy Departments shall dis-
22 charge from the armed forces of the United States the men
23 and women serving therein during the present war as rapidly
24 as the appropriate department determines that the services of
25 such persons are no longer needed for the prosecution of

1 the war or for the national defense, and shall not retain such
2 persons in the armed forces merely for the purpose of
3 preventing unemployment or awaiting opportunities for
4 employment.

5 SEC. 305. The Administrator shall confer with all exist-
6 ing Federal, State, and local agencies and officials in charge
7 of existing programs relating to vocational education, voca-
8 tional rehabilitation, training in industry, and other similar
9 programs, and secure the expansion of such programs when
10 and if necessary. If he finds that such expansion cannot be
11 secured, or can only be secured by additional Federal legis-
12 lation or assistance, he shall recommend to Congress such
13 appropriations and legislation as he considers necessary to
14 carry out the provisions of this Act.

15 SEC. 306. The Administrator shall, within the limits of
16 funds which may be made available, employ and fix the
17 compensation of such Assistant Administrators and other
18 officers and employees, and may make such expenditures for
19 supplies, facilities, and services as may be necessary to carry
20 out his functions and the functions of the Office. All such
21 officers and employees shall be appointed in accordance with
22 the civil-service laws and their compensation fixed in accord-
23 ance with the Classification Act of 1923, as amended, ex-
24 cept that Assistant Administrators and expert administrative,
25 technical, and professional personnel may be employed and

1 their compensation fixed without regard to such laws. To
 2 the fullest extent practicable, the Administrator shall perform
 3 the duties imposed upon him through the facilities and per-
 4 sonnel of other Government agencies.

5 TITLE IV—ADVANCES TO STATE UNEM-
 6 EMPLOYMENT FUNDS

7 SEC. 401. (a) Section 904 (a) of the Social Security
 8 Act, as amended, is further amended by inserting, imme-
 9 diately before the period at the end of the second sentence of
 10 the subsection, a comma and the following: "or deposited pur-
 11 suant to appropriations to the Federal unemployment
 12 account".

13 (b) Section 904 (c) of the Social Security Act, as
 14 amended, is further amended by inserting, after the words
 15 "a separate book account for each State agency" a comma
 16 and the following: "the Federal unemployment account,".

17 (c) Section 904 of the Social Security Act, as amended,
 18 is further amended by adding, at the end of the section, the
 19 following new subsections:

20 "(g) The Secretary of the Treasury is authorized and
 21 directed, prior to audit or settlement by the General Ac-
 22 counting Office, to make transfers to and from the Federal
 23 unemployment account and the account of any State in
 24 the Unemployment Trust Fund in accordance with certifica-

tion made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

“(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this Act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of title XII and XIII. As used in this subsection, the term ‘unemployment administrative expenditures’ means expenditures for grants under title III of this Act, for the administration of that title by the Board, and for the administration of title IX of this Act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall

1 be deducted from the total amount of taxes collected prior
 2 to July 1, 1943, under title IX of this Act, the sum of
 3 \$40,561,886.43 which was authorized to be appropriated
 4 by the Act of August 24, 1937 (50 Stat. 754)."

5 SEC. 402. The Social Security Act, as amended, is fur-
 6 ther amended by adding at the end thereof the following
 7 new titles:

8 "TITLE XII—ADVANCES TO STATE
 9 UNEMPLOYMENT FUNDS

10 "SEC. 1201. (a) In the event that the balance in the
 11 unemployment fund of a State on June 30, 1945, or on the
 12 last day in any ensuing calendar quarter, does not exceed a
 13 sum equal to the total contributions collected under the un-
 14 employment compensation law of the State during the cal-
 15 endar year next preceeding such day, the State shall be en-
 16 titled, subject to the provisions of subsections (b) and (c)
 17 hereof, to have transferred from the Federal unemployment
 18 account to its account in the Unemployment Trust Fund
 19 an amount equal to the unemployment compensation paid
 20 out by it in the calendar quarter following such day, which
 21 is in excess of 2.7 per centum of the total remuneration, paid
 22 during such quarter, subject to State law.

23 "(b) The Social Security Board is authorized and di-
 24 rected, on application of a State unemployment compensation

1 agency, to make findings as to whether the conditions for
2 the transfer of moneys provided for in subsection (a) hereof
3 have been met; and if such conditions exist, the Board
4 is directed to certify, to the Secretary of the Treasury, from
5 time to time, the amounts for transfer in order to carry
6 out the purposes of this title, reduced or increased, as the
7 case may be, by any sum by which the Board finds that
8 the amounts transferred for any prior quarter were greater
9 or less than the amounts to which the State was entitled
10 for such quarter. The application of a State agency shall
11 be made on such forms, and contain such information and
12 data, fiscal and otherwise, concerning the operation and
13 administration of the State law, as the Board deems neces-
14 sary or relevant to the performance of its duties hereunder.

15 “(c) Any amount transferred to the account of any
16 State under this section shall be treated as an advance,
17 without interest, to the unemployment compensation agency
18 of such State and shall be repaid by such State agency to
19 the Federal unemployment account from the unemployment
20 fund of that State to the extent that the fund of that State
21 at the end of any calendar quarter, exceeds a sum equal to
22 the total contributions collected under the unemployment
23 compensation law of the State during the preceding calendar
24 year.”

1 UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

2 SEC. 403. (a) The Social Security Act, as amended, is
3 further amended by adding at the end thereof the following
4 new title:

5 "TITLE XIII—UNEMPLOYMENT COMPENSATION
6 FOR FEDERAL EMPLOYEES

7 "SEC. 1301. (a) Any person who shall have rendered
8 service as a civilian in the employ of the United States Gov-
9 ernment, after September 16, 1940, shall be entitled, in
10 accordance with the applicable provisions of the unemploy-
11 ment compensation law of the State in which claim for
12 compensation is filed, to receive compensation for each week
13 of unemployment commencing after September 30, 1944, in
14 the same amounts, on the same terms, and subject to the
15 same conditions, as though the unemployment compensation
16 laws of the several States did not exclude services performed
17 in the employ of the United States Government. Any claim
18 for compensation under this section shall be filed in a State
19 in which a part of the service in the employ of the United
20 States Government was performed. As used in this section,
21 the term 'United States Government' includes any wholly
22 owned instrumentality of the United States.

23 "(b) The Social Security Board is authorized on behalf
24 of the United States to enter into an agreement with any
25 State or with the unemployment compensation agency of

1 such State, under which such State agency will make, as the
2 agent of the United States, payments of unemployment com-
3 pensation to individuals with respect to services performed
4 by them as civilians in the employ of the United States
5 Government, on the basis provided in subsection (a):

6 “(c) Each State shall be entitled to receive from the
7 Federal unemployment account for each quarter, begin-
8 ning with the first quarter commencing after enactment of
9 this Act, an amount equal to the total of all payments of
10 unemployment compensation made by such State during
11 such quarter, pursuant to an agreement under this section.

12 “(d) In the event that any State does not agree to
13 make such payments to such persons, the Civil Service
14 Commission is hereby authorized and directed to make such
15 payments.

16 “(e) All departments, agencies, and instrumentalities of
17 the United States are directed to make available to the
18 appropriate State agency such information with reference to
19 compensation of persons in the employ of the United States
20 Government as may be necessary to determine the benefits
21 payable under this title.

22 “(f) In case of an agreement under this section that a
23 State agency will make payments as agent of the United
24 States, there shall be paid in advance to the State such sum
25 as the Board estimates the State will be entitled to receive

1 for each quarter under such section; reduced or increased, as
 2 the case may be, by any sum by which it finds that its esti-
 3 mate for any prior quarter was greater or less than the
 4 amount which should have been paid to the State. All money
 5 paid to a State under this subsection shall be used solely for
 6 the payment of unemployment compensation. Any money
 7 so paid to a State which is not used for the purpose for which
 8 it was paid shall, upon termination of the agreement, be
 9 returned to the Treasury

10 “(g) Determinations of entitlement to unemployment
 11 compensation made by a State agency under an agreement
 12 that such agency will act as agent of the United States
 13 under this section shall be subject to review in the same man-
 14 ner and to the same extent as determinations under the State
 15 unemployment compensation law, and only in such manner
 16 and to such extent. Such an agreement may require any
 17 officer or employee of the State disbursing funds pursuant
 18 to the agreement or otherwise participating in its perform-
 19 ance to give a surety bond to the United States in such amount
 20 as the Board may deem necessary, and may provide for pay-
 21 ment of the cost of such bond from appropriations for carry-
 22 ing out the purpose of this Act.

23 “(h) The Board shall from time to time certify to the
 24 Secretary of the Treasury for payment to each State the
 25 sums payable to it under this section. The Secretary of the

1 Treasury, through the Fiscal Service of the Treasury De-
 2 partment, and prior to audit or settlement by the General
 3 Accounting Office, shall make payment in accordance with
 4 such certification."

5 SEC. 404. This Act, and the amendments to the Social
 6 Security Act made thereby, shall cease to be effective at the
 7 end of the second full calendar year after the termination
 8 of hostilities in the present war as declared by Presidential
 9 proclamation or concurrent resolution of the Congress, except
 10 that the obligation of the State agencies to repay advances
 11 made from the Federal unemployment accounts shall remain
 12 effective until such advances are repaid. Any amounts so
 13 repaid after the end of such year, and any amounts in the
 14 Federal unemployment account at the end of such year,
 15 shall be covered into the general fund of the Treasury.

16 TITLE V—PUBLIC WORKS

17 SEC. 501. (a) In order to encourage States and other
 18 non-Federal public agencies to make advance provision for
 19 the construction of public works (not including housing),
 20 the Federal Works Administrator is hereby authorized to
 21 make, from funds appropriated for that purpose, loans or
 22 advances to the States and their agencies and political sub-
 23 divisions (hereinafter referred to as "public agencies") to
 24 aid in financing the cost of architectural, engineering, and
 25 economic investigations and studies, surveys, designs, plans,

1 working drawings, specifications, procedures, and other ac-
 2 tion preliminary to the construction of such public works:
 3 *Provided*, That the making of loans or advances hereunder
 4 shall not in any way commit the Congress to appropriate
 5 funds to undertake any projects so planned.

6 (b) Funds appropriated for the making of loans or ad-
 7 vances hereunder shall be allotted by the Federal Works
 8 Administrator among the several States in the following
 9 proportion: 90 per centum in the proportion which the
 10 population of each State bears to the total population of all
 11 the States, as shown by the latest available Federal census;
 12 and 10 per centum according to his discretion: *Provided*,
 13 That the allotments to any State shall aggregate not less
 14 than one-half of 1 per centum of the total funds available
 15 for allotment hereunder: *Provided further*, That no loans or
 16 advances shall be made with respect to any individual project
 17 unless it conforms to an over-all local or regional plan ap-
 18 proved by competent local or regional authority.

19 (c) Advances under this section to any public agency
 20 shall be repaid by such agency if and when the construction
 21 of the public works so planned is undertaken. Any sums
 22 so repaid shall be covered into the Treasury as miscellaneous
 23 receipts.

24 (d) The Federal Works Administrator is authorized

1 to prescribe rules and regulations to carry out the purposes
2 of this section.

3 ~~(c)~~ As used in this section, the term "State" shall
4 include the District of Columbia.

5 SEC. 502 ~~(a)~~ The Secretary of Labor shall make a
6 full study and investigation as to—

7 ~~(1)~~ the extent to which the adoption of annual
8 wage systems would contribute to full employment and
9 rising standards of living;

10 ~~(2)~~ the factors in favor of and against the adoption
11 of various types of annual wage systems in various in-
12 dustries;

13 ~~(3)~~ present and past use of annual wage systems
14 by particular industries or individual employers;

15 ~~(4)~~ other wage systems which might contribute to
16 full employment and rising standards of living; and

17 ~~(5)~~ possible means to be used by the Government
18 through tax advantages or otherwise in promoting adop-
19 tion of annual wage systems or other wage systems de-
20 signed to bring about full employment and rising stand-
21 ards of living.

22 ~~(b)~~ The Secretary of Labor shall submit to the Presi-
23 dent, the Senate, and the House of Representatives, within
24 six months after the enactment of this Act, and at such later

1 dates as the Secretary may deem desirable, reports on the
2 results of the studies called for in this section.

3 **TITLE VI—MISCELLANEOUS PROVISIONS**

4 **SEC. 601.** When used in this Act—

5 (a) The term “Government agency” means any de-
6 partment, independent establishment, or agency in the
7 executive branch of the Government, including any cor-
8 poration wholly owned by the United States.

9 (b) The term “contracting agency” means any Gov-
10 ernment agency which has been or hereafter may be author-
11 ized to make contracts pursuant to section 201 of the First
12 War Powers Act, 1941, and includes the Reconstruction
13 Finance Corporation and any corporation organized pursuant
14 to the Reconstruction Finance Corporation Act (47 Stat.
15 5), as amended, and the Smaller War Plants Corporation.

16 **SEC. 602.** There are authorized to be appropriated such
17 sums as may be necessary or appropriate to carry out the
18 purposes and provisions of this Act.

19 **SEC. 603.** The provisions of this Act shall become effec-
20 tive immediately, unless otherwise provided in the Act, and
21 unless otherwise provided shall be terminated at the end of
22 twenty-four months after the termination of hostilities.

23 **SEC. 604.** If any provision of this Act, or the applica-
24 tion of such provision to any person or circumstance, is held
25 invalid, the remainder of this Act or the application of such

1 provision to persons or circumstances, other than those as
2 to which it is held invalid, shall not be affected thereby.

3 SEC. 605. When the Director first appointed under
4 section 102 has taken office, the Office of War Mobilization
5 established by Executive Order Numbered 9347, dated May
6 27, 1943, shall cease to exist; and such records and prop-
7 erty of the Office of War Mobilization, and such unexpended
8 balances of appropriations or other funds available for its
9 use, as the President shall determine shall be transferred to
10 the Office of Mobilization and Adjustment.

11 SEC. 606. All orders, policies, procedures, or directives
12 prescribed by the Director of War Mobilization, in effect
13 upon the effective date of this Act, and not inconsistent with
14 this Act, shall remain in full force and effect unless and
15 until superseded by the Director in accordance with this
16 Act, or by operation of law.

17 SEC. 607. No alien shall be employed in any capacity
18 in the administration of this Act unless he has served honor-
19 ably in the armed forces of the United States.

20 SEC. 608. This Act may be cited as the "War Mobili-
21 zation and Reconversion Act of 1944".

22 TITLE I—OFFICE OF WAR MOBILIZATION
23 AND RECONVERSION

24 SECTION 101. (a) There is hereby established the Office
25 of War Mobilization and Reconversion, which shall be headed

1 by the Director of War Mobilization and Reconversion
2 (hereinafter called the "Director"). The Director shall be
3 appointed by the President, by and with the advice and con-
4 sent of the Senate, shall receive compensation at the rate
5 of \$15,000 per year, and shall serve for a term of two years.

6 (b) The following agencies shall be placed within the
7 Office of War Mobilization and Reconversion and shall exer-
8 cise their functions subject to the general supervision of the
9 Director:

10 (1) Office of Contract Settlement, created by the Con-
11 tract Settlement Act of 1944.

12 (2) Surplus Property Administration, created by the
13 Surplus Property Act of 1944.

14 Nothing in this subsection shall imply any derogation
15 of the powers of the Director under subsection (c) with
16 respect to other agencies not specifically placed within his
17 office.

18 (c) In addition to any powers which the President is
19 authorized to and does delegate to the Director for the pur-
20 pose of more effectively coordinating the mobilization of the
21 Nation for war, the Director shall, subject to the direction
22 of the President—

23 (1) formulate or have formulated such plans as are
24 necessary to meet the problems arising out of the transi-
25 tion from war to peace;

1 (2) coordinate the activities of other executive agen-
2 cies with respect to the problems arising out of the
3 transition from war to peace. Nothing contained in this
4 section shall be construed as authorizing any activities to
5 carry out any plans formulated under this section which
6 are not within the scope of the powers possessed by the
7 President or the executive agencies under provisions of
8 law other than this section;

9 (3) recommend to the Congress appropriate legis-
10 lation providing authority to carry out plans developed
11 under this section but not authorized under existing law;

12 (4) promote and assist in the development of de-
13 mobilization and reconversion plans by other executive
14 agencies; develop procedures whereby each executive
15 agency is kept informed of proposed demobilization and
16 reconversion plans and proposals which relate to its work
17 and which are being developed or carried out by other
18 executive agencies; and settle controversies between such
19 executive agencies in the development and administration
20 of such plans;

21 (5) cause studies and reports to be made for him
22 by the various executive agencies which will enable him
23 to determine the need for the simplification, consolida-
24 tion, or elimination of such executive agencies as have
25 been established for the purposes of the war emergency,

1 for the termination, or establishment by statute, of exec-
2 utive agencies which exist under Executive order only,
3 and for the relaxation or removal of emergency war
4 controls;

5 (6) institute a specific study, for submission to the
6 President and the Congress, of the present functions of
7 the various executive agencies in the field of manpower,
8 and develop a program for reorganizing and consolidat-
9 ing such agencies to the fullest extent practicable;

10 (7) consult and cooperate with State and local gov-
11 ernments, industry, labor, agriculture, and other groups,
12 both national and local, concerning the problems arising
13 out of the transition from war to peace; and

14 (8) submit reports to the President, the Senate,
15 and the House of Representatives on the 1st days of
16 January, April, July, and October, on the activities
17 undertaken or contemplated by him under this Act.
18 Such reports shall summarize and appraise the activities
19 of the various executive agencies in the field of demobili-
20 zation and post-war adjustment, and may include such
21 legislative proposals as he may deem necessary or
22 desirable.

23 (d) The Director shall, within the limits of funds which
24 may be made available for this purpose by Congress, employ
25 and fix the compensation of such Deputy Directors and other

1 officers and employees, and may make such expenditures for
2 supplies, facilities, and services as may be necessary to carry
3 out his functions. All such officers and employees shall be
4 appointed in accordance with the civil-service laws and their
5 compensation fixed in accordance with the Classification Act
6 of 1923, as amended, except that Deputy Directors may be
7 employed and their compensation fixed without regard to such
8 laws. To the fullest extent practicable, the Director shall
9 perform the duties imposed upon him through the facilities
10 and personnel of other executive agencies; and for that pur-
11 pose he is authorized to delegate and provide for the redelega-
12 tion of the powers and duties vested in him. The Director
13 may require such reports and information from other execu-
14 tive agencies as he deems necessary to enable him to carry
15 out his functions under this Act, and each executive agency
16 shall furnish any information and reports so required.

17 SEC. 102. (a) There is hereby created an advisory
18 board, which shall consist of twelve members who shall be
19 appointed by the President by and with the advice and con-
20 sent of the Senate. All of the members of the Board shall
21 represent the general public and the public interest, but in
22 order that the Board may have the benefit of experience in
23 the matters with which it will deal under this Act, three mem-
24 bers of the Board shall have had experience in business
25 management, three members shall have had experience in

1 matters relating to labor, and three members shall have had
 2 experience in agriculture. The President shall designate one
 3 of the remaining three members as chairman of the Board.

4 (b) It shall be the general function of the Board to
 5 advise with the Director with respect to war mobilization
 6 and reconversion and make to him such recommendations
 7 relating to legislation, policies, and procedures as it may
 8 deem necessary.

9 (c) Members of the Board shall receive a per diem
 10 allowance of \$25 for each day spent in actual meetings of
 11 the Board or at conferences held upon the call of the Direc-
 12 tor, plus necessary traveling and other expenses incurred
 13 while so engaged.

14 TITLE II—INDUSTRIAL DEMOBILIZATION 15 AND RECONVERSION

16 SEC. 201. Any contracting agency shall terminate prime
 17 contracts for war production whenever in the opinion of the
 18 agency the performance under such contracts will not be
 19 needed for the prosecution of the war, and shall not continue
 20 performance under such contracts merely for the purpose of
 21 providing business and employment, or for any purposes other
 22 than the prosecution of the war.

23 SEC. 202. Curtailments of war production or termina-
 24 tions of war contracts shall be integrated and synchronized
 25 with the expansion, resumption, or initiation of production

1 for other war purposes, and, to the greatest extent compatible
2 with the effective prosecution of the war, of production for
3 non-war use. To effectuate this policy—

4 (a) the contracting agencies shall continuously sur-
5 vey their product and material requirements and report
6 to the Director, in such form and detail as he may de-
7 termine, on current and anticipated changes in require-
8 ments and on all anticipated curtailments of war pro-
9 duction or terminations of war contracts;

10 (b) the executive agencies exercising control over
11 manpower, production, or materials shall permit the ex-
12 pansion, resumption, or initiation of production for non-
13 war use whenever such production does not require
14 materials, components, facilities, or labor needed for war
15 purposes, or will not otherwise adversely affect or inter-
16 fere with the production for war purposes. Such produc-
17 tion for non-war use shall be permitted regardless of
18 whether one or more competitors normally engaged in the
19 same type of production are still engaged in the perform-
20 ance under any contract which is needed for the prosecu-
21 tion of the war, and shall not be made dependent upon the
22 existence of a concern or the functioning of a concern in
23 a given field of activity at a given time;

24 (c) the Director shall—

25 (1) establish policies to be followed by the

1 contracting agencies in selecting individual con-
2 tracts or classes of contracts for curtailment, non-
3 renewal, or termination;

4 (2) establish policies providing for full and
5 prompt consultation between the executive agencies,
6 war contractors, and the representatives of the em-
7 ployees of war contractors with regard to obtaining
8 the most effective use in other war production or in
9 production for non-war use of facilities and man-
10 power to be released through anticipated curtailments
11 in war production or terminations of war contracts.

12 SEC. 203. (a) Whenever the expansion, resumption, or
13 initiation of production for non-war use is authorized, on a
14 restricted basis, by any executive agency having control over
15 manpower, production, or materials, the restrictions imposed
16 shall not be such as to prevent any small plant capable and
17 desirous of participating in such expansion, resumption, or
18 initiation of production for non-war use from so participating
19 in such production.

20 (b) Whenever such executive agency allocates available
21 materials for the production of any item or group of items
22 for non-war use, it shall make available a percentage of such
23 materials for the exclusive use by small plants for the pro-
24 duction of such item or group of items. Such percentage
25 shall be determined by the head of such agency after giving

1 full consideration to the claims presented by the chairman of
2 the board of directors of the Smaller War Plants Corporation
3 and shall be fair and equitable.

4 (c) In allocating the materials thus set aside among such
5 small plants, such executive agency shall establish criteria,
6 standards, quotas, schedules, or other conditioning factors
7 after consultation with the chairman of the board of directors
8 of the Smaller War Plants Corporation. Such executive
9 agency shall allocate such materials directly to such small
10 plants and shall, to the fullest extent practicable, provide for
11 making such allocations through local offices easily acces-
12 sible to such small plants. For the purposes of this title, a
13 small plant means any small business concern engaged pri-
14 marily in production or manufacturing either employing two
15 hundred and fifty wage earners or less, or coming within
16 such other categories as may be established by the head of
17 such executive agency in consultation with the chairman of
18 the board of directors of the Smaller War Plants Corpora-
19 tion. Such other categories shall be defined by taking into
20 consideration the comparative sizes of establishments in a
21 particular industry as reflected by sales volumes, quantities
22 of materials consumed, capital investments, or by other
23 criteria which are reasonably attributable to small plants
24 rather than medium or large size plants.

25 SEC. 204. The Attorney General is directed to make

1 surveys for the purpose of determining any factors which
 2 may tend to eliminate competition, create or strengthen mo-
 3 nopolies, injure small business, or otherwise promote undue
 4 concentration of economic power in the course of war mobi-
 5 lization and during the period of transition from war to peace.
 6 The Attorney General shall submit to the Congress within
 7 ninety days after the approval of this Act, and at such times
 8 thereafter as he deems desirable, reports setting forth the
 9 results of such surveys and including recommendations for
 10 such legislation as he may deem necessary or desirable.

11 *TITLE III—ADVANCES TO STATE UNEMPLOY-* 12 *MENT FUNDS*

13 *SEC. 301. (a) Section 904 (a) of the Social Se-*
 14 *curity Act, as amended, is further amended by inserting,*
 15 *immediately before the period at the end of the second*
 16 *sentence of the subsection, a comma and the following: "or*
 17 *deposited pursuant to appropriations to the Federal unem-*
 18 *ployment account".*

19 *(b) Section 904 (e) of the Social Security Act, as*
 20 *amended, is further amended by inserting, after the words*
 21 *"a separate book account for each State agency" a comma*
 22 *and the following: "the Federal unemployment account,".*

23 *(c) Section 904 of the Social Security Act, as amended,*
 24 *is further amended by adding, at the end of the section, the*
 25 *following new subsections:*

1 “(g) The Secretary of the Treasury is authorized and
2 directed, prior to audit or settlement by the General Ac-
3 counting Office, to make transfers from the Federal unem-
4 ployment account to the account of any State in the Unem-
5 ployment Trust Fund in accordance with certification made
6 by the Board pursuant to section 1201, not exceeding the
7 amount on deposit in the Federal unemployment account at
8 the time of such transfer.

9 “(h) There is hereby established in the Unemployment
10 Trust Fund a Federal unemployment account. There is
11 hereby authorized to be appropriated to such Federal unem-
12 ployment account a sum equal to the excess of taxes col-
13 lected prior to July 1, 1943, under title IX of this Act and
14 under the Federal Unemployment Tax Act, over the total
15 unemployment administrative expenditures made prior to
16 July 1, 1943; and there is hereby authorized to be appro-
17 priated to such account for the fiscal year 1945 and for
18 each fiscal year thereafter (1) a sum equal to any excess
19 of taxes collected in the preceding fiscal year under the Fed-
20 eral Unemployment Tax Act over the unemployment ad-
21 ministrative expenditures made in such year, and (2) such
22 further sums, if any, as may be necessary to carry out the
23 purposes of title XII. Any amounts in the Federal unem-
24 ployment account on the termination date prescribed in section
25 503 of the War Mobilization and Reconversion Act, and

1 any amounts repaid to such account after such date, shall
 2 be covered into the general fund of the Treasury. As used
 3 in this subsection, the term 'unemployment administrative
 4 expenditures' means expenditures for grants under title III
 5 of this Act, for the administration of that title by the Board,
 6 and for the administration of title IX of this Act and of
 7 the Federal Unemployment Tax Act by the Department
 8 of the Treasury and the Board. For the purposes of this
 9 subsection there shall be deducted from the total amount of
 10 taxes collected prior to July 1, 1943, under title IX of this
 11 Act, the sum of \$40,561,886.43 which was authorized to
 12 be appropriated by the Act of August 24, 1937 (50 Stat.
 13 754)."

14 SEC. 302. The Social Security Act, as amended, is fur-
 15 ther amended by adding at the end thereof the following
 16 new title: .

17 "TITLE XII—ADVANCES TO STATE
 18 UNEMPLOYMENT FUNDS

19 "SEC. 1201. (a) In the event that the balance in a State's
 20 account in the Unemployment Trust Fund on June 30,
 21 1945, or on the last day in any ensuing calendar quarter
 22 which ends prior to the termination date prescribed in sec-
 23 tion 503 of the War Mobilization and Reconversion Act,
 24 does not exceed a sum equal to the total contributions deposited
 25 in the Unemployment Trust Fund under the unemployment

1 compensation law of the State during that one of the two
2 calendar years next preceding such day in which such deposits
3 were higher, the State shall be entitled, subject to the pro-
4 visions of subsections (b) and (c) hereof, to have transferred
5 from the Federal unemployment account to its account in the
6 Unemployment Trust Fund an amount equal to the unem-
7 ployment compensation paid out by it in the calendar quarter
8 ending on such day, which is in excess of 2.7 per centum of
9 the total remuneration, paid during such quarter, subject to
10 the State unemployment compensation law.

11 “(b) The Social Security Board is authorized and di-
12 rected, on application of a State unemployment compensation
13 agency, to make findings as to whether the conditions for
14 the transfer of moneys provided for in subsection (a) hereof
15 have been met; and if such conditions exist, the Board
16 is directed to certify, to the Secretary of the Treasury, from
17 time to time, the amounts for transfer in order to carry
18 out the purposes of this title, reduced or increased, as the
19 case may be, by any sum by which the Board finds that
20 the amounts transferred for any prior quarter were greater
21 or less than the amounts to which the State was entitled
22 for such quarter. The application of a State agency shall
23 be made on such forms, and contain such information and
24 data, fiscal and otherwise, concerning the operation and

1 administration of the State law, as the Board deems neces-
2 sary or relevant to the performance of its duties hereunder.

3 “(c) Any amount transferred to the account of any
4 State under this section shall be treated as an advance,
5 without interest, to the unemployment fund of such State
6 and shall be repaid to the Federal unemployment account
7 from the unemployment fund of that State to the extent that
8 the balance in the State’s account in the Unemployment Trust
9 Fund, at the end of any calendar quarter, exceeds a sum
10 equal to the total contributions deposited in the Unemployment
11 Trust Fund under the unemployment compensation law of
12 the State during that one of the two preceding calendar years
13 preceding such day in which such deposits were higher. The
14 Secretary of the Treasury shall, after the end of each cal-
15 endar quarter, transfer from the unemployment account of
16 each State in the Unemployment Trust Fund to the Federal
17 unemployment account the amount required to be repaid from
18 the unemployment fund of such State at the end of such
19 quarter under this subsection.”

20 TITLE IV—PUBLIC WORKS

21 SEC. 401. (a) In order to encourage States and other
22 non-Federal public agencies to make advance provision for
23 the construction of public works (not including housing),
24 the Federal Works Administrator is hereby authorized to
25 make, from funds appropriated for that purpose, loans or

1 advances to the States and their agencies and political sub-
2 divisions (hereinafter referred to as "public agencies") to
3 aid in financing the cost of architectural, engineering, and
4 economic investigations and studies, surveys, designs, plans,
5 working drawings, specifications, procedures, and other action
6 preliminary to the construction of such public works: Pro-
7 vided, That the making of loans or advances hereunder shall
8 not in any way commit the Congress to appropriate funds
9 to undertake any projects so planned.

10 (b) Funds appropriated for the making of loans or ad-
11 vances hereunder shall be allotted by the Federal Works Ad-
12 ministrator among the several States in the following propor-
13 tion: 90 per centum in the proportion which the population
14 of each State bears to the total population of all the States,
15 as shown by the latest available Federal census, and 10 per
16 centum according to his discretion: Provided, That the allot-
17 ments to any State shall aggregate not less than one-half of
18 1 per centum of the total funds available for allotment here-
19 under: Provided further, That no loans or advances shall be
20 made with respect to any individual project unless it conforms
21 to an over-all State, local or regional plan approved by com-
22 petent State, local or regional authority.

23 (c) Loans or advances under this section to any public
24 agency shall bear interest at the rate of $2\frac{1}{2}$ per centum per
25 annum and shall be repaid by such agency within five years

1 from the making of the loan or advance or, if the construction
 2 of the public works so planned is undertaken prior to the end
 3 of such five years, shall be repaid when such construction is
 4 undertaken. Any sums so repaid shall be covered into the
 5 Treasury as miscellaneous receipts.

6 (d) The Federal Works Administrator is authorized to
 7 prescribe rules and regulations to carry out the purposes of
 8 this section.

9 (e) As used in this section, the term "State" shall include
 10 the District of Columbia, Alaska, Hawaii, and Puerto Rico.

11 TITLE V—MISCELLANEOUS PROVISIONS

12 SEC. 501. When used in this Act—

13 (a) The term "executive agency" means any department,
 14 independent establishment, or agency in the executive branch
 15 of the Government, including any corporation wholly owned
 16 by the United States.

17 (b) The term "contracting agency" means any Govern-
 18 ment agency which has been or hereafter may be authorized
 19 to make contracts pursuant to section 201 of the First War
 20 Powers Act, 1941, and includes the Reconstruction Finance
 21 Corporation and any corporation organized pursuant to the
 22 Reconstruction Finance Corporation Act (47 Stat. 5), as
 23 amended, and the Smaller War Plants Corporation.

24 SEC. 502. There are authorized to be appropriated such

1 sums as may be necessary or appropriate to carry out the
2 purposes and provisions of this Act.

3 *SEC. 503. The provisions of this Act shall terminate at*
4 *the end of one year after the termination of hostilities in the*
5 *present war, as proclaimed by the President, or at such*
6 *earlier time as the Senate shall have passed a Senate reso-*
7 *lution, and the House of Representatives shall have passed*
8 *a House resolution, declaring that no emergency exists which*
9 *requires the further continuance of the provisions of this*
10 *Act; and the date on which the provisions of this Act terminate*
11 *shall also be the termination date for the purposes of sections*
12 *904 (h) and 1201 (a) of the Social Security Act, as*
13 *amended.*

14 *SEC. 504. If any provision of this Act, or the appli-*
15 *cation of such provision to any person or circumstance, is*
16 *held invalid, the remainder of this Act or the application*
17 *of such provision to persons or circumstances, other than*
18 *those as to which it is held invalid, shall not be affected*
19 *thereby.*

20 *SEC. 505. When the Director first appointed under sec-*
21 *tion 101 has taken office, the Office of War Mobilization*
22 *established by Executive Order Numbered 9347, dated May*
23 *27, 1943, and the agencies within such Office created by*
24 *subsequent Executive orders, shall cease to exist; and such*
25 *records and property of the Office of War Mobilization, and*

1 such unexpended balances of appropriations or other funds
2 available for its use, as the President shall determine, shall
3 be transferred to the Office of War Mobilization and
4 Reconversion.

5 SEC. 506. All orders, policies, procedures, or directives
6 prescribed by the Director of War Mobilization, in effect upon
7 the effective date of this Act, and not inconsistent with this
8 Act, shall remain in full force and effect unless and until
9 superseded by the Director in accordance with this Act, or
10 by operation of law.

11 SEC. 507. This Act may be cited as the "War Mobiliza-
12 tion and Reconversion Act of 1944".

Passed the Senate August 11 (legislative day, August
8), 1944.

Attest: EDWIN A. HALSEY,
Secretary.

Passed the House of Representatives August 31, 1944.

Attest: SOUTH TRIMBLE,
Clerk.

AN ACT

To amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 1, 1944

Ordered to be printed with the amendment of the
House of Representatives



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, FRIDAY, SEPTEMBER 1, 1944

No. 141

Senate

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, to Thy chastening presence we would lift our sin-stained lives at the morning call of prayer. Yet we shrink from Thy scrutiny knowing that outer dissemblings, duplicities, and sophistries which may mask us from our fellows hide us not from Thee from whom no secrets are hid. As we see the shame and smirch of our sinful selves against the white splendor of Thy holiness, may we grow penitent, hating the evil impediments that our self-deception build up against Thy coming to us and through us.

Not only for our separate lives do we pray but for the common global interests that bind us all together. For our Nation and its leaders and the whole body of our citizens in this fiery ordeal of testing and sacrifice guide us, O Thou great Jehovah, be Thou still our strength and shield. Give us gallant courage to endure to the victorious end and the wisdom from above so to mold and fashion the victory bought with so great a price that we may not miss the way again to just and enduring peace. We ask it in the name that is above every name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Secretary, Edwin A. Halsey, read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,

Washington, D. C., September 1, 1944.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. KENNETH MCKELLAR, a Senator from the State of Tennessee, to perform the duties of the Chair during my absence.

CARTER GLASS,
President pro tempore.

Thereupon Mr. MCKELLAR took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, August 31, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes; that the House insisted upon its amendment to the bill, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. COOPER, Mr. DISNEY, Mr. DINGELL, Mr. KNUTSON, Mr. REED of New York, and Mr. WOODRUFF of Michigan were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND A JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and a joint resolution, and they were signed by the Acting President pro tempore:

S. 1508. An act to provide effective date of awards of death pension or compensation in cases of persons missing or missing in action, to authorize payment of such benefits from the date of death of such person as reported or found by the Secretary of War or the Secretary of the Navy, and for other purposes;

S. 1934. An act to provide for abandonment of the project authorized in the act of October 17, 1940, for a seaplane channel and basin in Boston Harbor, Mass.;

H. R. 1506. An act to amend further the Pay Readjustment Act of 1942; and

H. J. Res. 306. Joint resolution authorizing the President of the United States to proclaim October 11, 1944, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

ADDRESS BY SENATOR BARKLEY NOMINATING PRESIDENT ROOSEVELT AT DEMOCRATIC NATIONAL CONVENTION

The ACTING PRESIDENT pro tempore. In his capacity as a Senator from Tennessee, the Chair asks unanimous consent to have printed in the RECORD the address delivered by the distinguished Senator from Kentucky [Mr. BARKLEY]

at the recent Democratic National Convention placing in nomination President Roosevelt. Is there objection? The Chair hears none, and the address will be printed in the RECORD.

The address is as follows:

Mr. Chairman, members and guests of the convention, it has been my privilege to serve you in responsible capacities in three preceding national conventions.

To none of these did I bring a deeper sense of personal pleasure or public duty than that which actuates me on this occasion.

I come to the fulfillment of this assignment, not simply as a Democrat but as an American, seeking to promote the welfare of my country and the enduring happiness of her people.

As we assemble here, evil forces stalk across the stage of human affairs whose power must be annihilated lest the whole course of civilization be reversed and mankind be resigned to the miseries of total slavery.

In such a posture, we must rise above the level of the petty and the inconsequential.

We must look beyond the horizon of temporary expedients and contemplate the larger opportunity and the larger challenge.

A RENDEZVOUS WITH DESTINY

Eleven years ago, standing before an eager and distraught multitude, a new President of this Republic was heard to say, "This generation of Americans has a rendezvous with destiny."

Some of those who listened looked upon it as a handsome figure of speech uttered in the course of an inaugural address.

The speaker perhaps was thinking of our domestic problems chiefly, then in utter chaos and disorder; thinking of the 16,000,000 whose feet were treading upon the unresponsive pavements in town and city seeking work; thinking of the anxious eyes and hungry mouths of women and children; thinking of the tollers in the fields who dare to cope with Nature and her seasons to feed and clothe the world; thinking of the incomparably low prices marking the reward of the Nation's farmers; of burned crops and mounting debts and unpaid mortgages, and dried-up credit and broken promises quadrennially made by those who had the power but not the will to keep them.

Perhaps he thought of the smokeless smokestacks and the silent wheels of industry; or our lost trade with the nations of the world; of the motionless turbines of our merchant marine, tied up in harbors for lack of cargoes; of the billions lost by innocent investors in the speculative orgy fostered and inspired from the portals of the Treasury by "the greatest Secretary since Alexander Hamilton"; of the collapse of our financial

institutions, the loss of other billions of the people's deposits and the loss of their faith and confidence in these institutions.

In all likelihood he saw the insecurity of old age, the hazards of sickness and unemployment; the sordid record of financial exploitation among our neighbors in the western world under the alliterative aegis of dollar diplomacy, and the fear and suspicion and hatred that policy had inspired.

He saw the wasting soil reserves washing to the sea, the idle natural resources of the Nation unharnessed for the use of man, the devastating floods destroying life and property and uprooting the happiness of whole communities and valleys.

Looking across two oceans, proclaimed by some as the unassailable fortresses of our protection and security, he beheld the beginnings of Japanese aggression in Asia and the rise to power of Adolf Hitler in Europe.

Surveying these national and world perplexities, is it strange that this dauntless man uttered the prophetic sentence, "This generation of Americans has a rendezvous with destiny"?

What a destiny. What a rendezvous.

Centering his searching mind and great abilities upon our own domestic problems, he restored our financial institutions—strengthened them beyond any previous stability—and rekindled the people's confidence in them to the end that today they hold larger deposits of their funds than at any other time in their history.

He built anew the basis of agricultural prosperity, restored the farmer's credit, lowered his interest rates, electrified his homes, lifted a portion of the drudgery from the backs of housewives, organized a program of soil conservation, expanded the field for the use of agricultural products, increased the annual income of farmers by more than 300 percent, and contributed more to the stability of farm life in America than was ever before accomplished in three times the length of time, if ever at all.

FOUNDATIONS FOR VICTORY

While the war has brought hardships to farm life, these strides made by agriculture under the guidance of this man of whom I speak, laid the foundation for the magnificent contributions being made by the farmers and their families to the victory we shall ere long achieve against our enemies and the enemies of all freedom.

In his address from this platform 3 weeks ago the Governor of California asserted that under this administration the farmer works all day and keeps books all night.

He paid to this administration an unintentional compliment. For under the administration of its predecessor the farmer worked all day and worked all night and had no books to keep, or if he kept any at all he made his entries in the crimson liquid of bankruptcy and despair.

Truly enough he keeps books now, and he makes his entries in the jet-black liquid of canceled mortgages and savings deposits and improved farms and War bonds.

The man of whom I speak set in motion the machinery for the employment of the idle. In 4 years he reduced unemployment from 16,000,000 to less than ten, and in 4 more years to less than 6,000,000.

Three weeks ago, from this platform, the nominee of the Republican Convention complained with glee that this administration had not solved completely the unemployment problem.

He should have said with greater frankness that this administration did not create but inherited that problem from the administration of his own political mentor, guide, and counselor; and that neither that administration nor any of its apologists then or since have ever offered a sane or understandable remedy for the chronic malady which they bequeathed to the American economic system.

In addition to the reduction of unemployment, this Democratic administration gave to labor the boon of collective bargaining, the reassuring balance wheel of minimum wages and maximum hours, the stimulating guaranty of unemployment insurance and compensation, the tardy inauguration of old-age subsistence, and abolition of child labor.

Under the driving power of the head of this administration, the market for securities was made a safe and honest place for the transaction of business, and the small home owner was saved from eviction and enabled to preserve the traditions of his vine and fig tree.

For the sordid emblem of the dollar on the escutcheon of our diplomatic relations he substituted the symbol of the good neighbor.

For the logrolling, corrupt methods of tariff legislation he substituted mutual trade agreements, restoring to a material extent the natural flow of commerce with other nations.

By these and other great measures of similar importance to the American people, the American economic system and the American conception and way of life were fortified for the impact of war and the defense of our land.

THEY HAVE NOT SAID

What will our opponents do with this modern vehicle we have created? They have not said. Having neither the foresight nor the creative genius to conceive or construct it, they now admit the virtue of most of it, but say they could have done it better if they had thought of it and knew how.

Their platform looks in all directions and sees nothing. It is like the exhortation of the devout minister who concluded as follows a sermon on sin:

"I say unto you, brethren, repent of your sins, more or less; ask forgiveness, in a measure; or you will be damned, to some extent."

Before this gloomy prospect the baffled intellect must pause and kneel for guidance and direction.

To one intelligent observer it is "The pattern for chaos." To another it is "The tired old platform." To nobody is it either the "Substance of things hoped for, or the evidence of things unseen."

ACCOMPLISHMENT UNIQUE IN HISTORY

Against this nebulous milky way we shall present a record of constructive accomplishment unique in American history.

We shall present a candidate who inspired and guided and drove that record to certain consummation.

We shall present a candidate who not only traveled but constructed the highway which leads to a fuller and happier life.

When the new foundations for this sounder American economy were advancing toward completion, disorder was on its way in other parts of the world. Fear began to grip the hearts of millions who remembered or learned the tragic horrors of the last world conflict.

The cloud which at first seemed but a fleck upon the rim of heaven grew until it covered the earth with its forebodings and obscured the sun of man's hopes for peace and life.

The past rose before us like a nightmare. We heard the sound of preparation and the noise of bolsterous drums. We saw hundreds of assemblages and heard the raucous voice of the diabolical agitator across the sea.

In all of this, though the domestic task was yet unfinished, the President of the United States saw the import of the gathering storm and sought to avert it.

Through every channel of diplomacy, every weapon of official and personal persuasion, every resort to logic and reason, he appealed to egocentric and distorted minds to forego the butchery of another world war, another selfish and ambitious design upon the peace of nations, another reversion to the barbarism of the Dark Ages, multiplied a thousand times.

And he appealed to his own country not to dwell too long in a fool's paradise; not to

indulge the fancy that we could be safe from the fires that might consume other peoples.

For this foresight and forthrightness he was denounced as a war monger, and assailed as the friend of the war profiteer; and he became the object of partisan and personal villification like unto that from which Washington suffered and which Lincoln endured.

Whose was the voice then that cried from the wilderness? Who became the major prophet—the man who saw and warned the people against approaching danger, or those who fulminated their jeremiads against him because he had the clarity of vision to see and the courage to proclaim our profound interest in the world's developments?

When the treachery of Pearl Harbor came we were not ready. The shock of it blasted us from our complacency, as the previous shock of Hitler's attack on Europe blasted his neighbors out of theirs.

No democracy is ever ready for war at the drop of a hat. That is true of Europe and Asia no less than of America. And because the people themselves who live in those democracies have not wanted war, because they believed in the good faith of treaties made to prevent war, they were unwilling to believe that war would come or to be ready for it.

Thus happened the world's narrow escape from complete and bitter subjugation.

But war came nevertheless to Asia, to Europe, and to America. And though unready for it when it came, we have gone farther and faster, and with more profound temporary readjustments in our lives than was ever true of any other nation in the whole history of nations.

DEFEAT FOR THE WAR LORDS

Our industry, our labor, our agriculture, our finance, our manpower, our homes, yea, the moral and spiritual fiber of a mighty people have all been fused into an irresistible stream whose momentum will drive the war lords of the Nazi and Nipponese back into the war hatchery from which they were spewed to become the world's supreme scourge.

We have raised and trained, and through these agencies have equipped, the ablest fighting force that ever flew the sky, sailed the sea, or marched beneath a banner.

In order to pay in part for this titanic effort the American people are paying in taxes into the Treasury of the United States annually \$6,000,000,000 more than their total income from all sources in 1932, and have left in their pockets more than a hundred billion dollars with which to buy the bonds of their Government and meet the other obligations of a nation and a people.

On all the battle fronts these efforts, these gifts of blood and treasure are being justified and sanctified by the incomparable bravery which brings glory everywhere and victory ever nearer to our cause.

But we are told by the nominee of our opponents that those in charge of our Government have grown old and tired in office and that they are young and fresh.

Life is not measured by figures on a dial.

This administration and the Democratic Party have done more for the youth of America than was ever done before by any combination of administrations or political parties.

In this struggle to emancipate humanity, men and women of all ages, political beliefs, religions, races, colors, and conditions have the power and the obligation to serve and they are serving in every imaginable capacity.

None of those who are in charge of the Government of the United States are as old as the old guard which dominated the convention which met in this place 3 weeks ago.

The President of the United States has not been the head of this Government as long as the Generalissimo has been the head of the Chinese Government, or as long as Josef Stalin has been head of the Russian Govern-

ment, or as long as Winston Churchill has held high office in the British Government.

Yet with what dismay and consternation would the people of America receive news that any or all of these had been banished from office by the people of their respective countries.

In this hour of tragedy, when the lives of innocent men, women, and children all over the world hang in the balance; when blood and treasure beyond calculation are being poured out to save civilization; when hearts and minds and tongues that think and feel and speak in every language cry out for peace and deliverance and the leadership of experience in war and its aftermath, no birth certificate, whether inscribed on the crisp new page of the latest volume of vital statistics, or whether it is slightly faded from longer use and service, can or will constitute the prime qualification for the Presidency of these United States.

Shakespeare must have had our opponents in mind when he said, "Heat not a furnace for thy for that it do not singe thyself."

THEY NEITHER FLY NOR LIGHT

In their platform, and thus far in their public statements, they have attempted to compromise the convictions of Wilkie with the underground of isolationism. They neither take the ground nor abandon it. They neither fly nor light. They hover.

The Democratic Party goes before the American people on its record, and it will not become a fugitive from the truth.

It has pushed outward the frontiers of enterprise, enlarged the boundaries of human endeavor, quickened the spirit of the man who earns his bread in the sweat of his face, and opened new routes to the hopes of mankind.

Democracy knows that in a free land there are some things never to be tolerated, and one of them is intolerance.

Democracy must make mistakes. Ours has been no exception to this rule, and we freely admit that we have made them.

But all progress among men is the residuum of a multitude of mistakes. Only through error does man or nation come to know the truth. And how often have we come to realize in this administration that questions once objects of great debate and controversy are now accepted as indisputable fact. We must preserve the continuity of democracy by bringing together the experiences of yesterday, the tasks of today, and the aspirations of tomorrow.

We know that in our struggle as a people through the years we have kept this ideal before us, and it is our beacon light today.

Though we do not know the day or the hour when it will come, we know that the sum total of all our past and present devotions will bring success to the cause of justice in the war, and peace and healing to the souls of men when it is over.

Already we are preparing for the return of our national economy to the practices and conditions of peace.

Already we are laying the solid ground work for the demobilization of men and materials and plants, and for their gainful employment in private enterprise.

Already we have provided for the just and helpful transition of men and women in the service; for the education, rehabilitation, and compensation of those who bear the heat of battle and for their dependents; for the reintegration of men and women and industrial and agricultural enterprises into the jobs and activities of post-war readjustments.

We propose to create no economic stalemate which will make it necessary for men and women in the service to march on Washington to petition the Government under the Constitution, only to be driven out with the very instruments with which they have saved the Nation.

Already the foundations for victory; for a just, honorable, and durable peace; and for the organization of the world for peace when its organization for war is no longer needed, have been set deep in the soil of the United Nations.

Already the American people have made up their minds that this Nation, under God, shall have a new birth of freedom; that it will not seek to avoid its solemn responsibilities in the family of nations; and that it shall pledge its experience, influence, and cooperation to the end that no other generation shall be driven through the slaughterhouse through which this one is passing in order that human liberty may be preserved.

UNDER WHOSE LEADERSHIP?

Under whose leadership have these things moved forward to accomplishment?

Under whose leadership have we as a Nation marched from the valley of depression to the peak of national well-being?

Under whose guiding hand have we made the long journey from military impotence to war power unrivaled in human history?

Whole hand has moved the throttle of our productive engine?

Whose touch at the pilot's wheel has steered our stately ship through the treacherous waters of international controversy and intrigue, and brings us now within sight of the harbor and its impregnable shores?

Whose name among all the millions of dejected and disheartened men and women stands today as the symbol of freedom and deliverance?

I have not always agreed with this man who has been honored beyond his fellows. Though recognizing his more intimate knowledge and greater responsibility, I have on occasion found myself in disagreement with him over the substance or the method of some course of action in which we were concerned. Under similar conditions again I would not feel at liberty to pursue a different course.

But, it is one thing to differ from a friend, though he be the President, on some course of action that seems fundamental.

It is quite another thing to discard, or seem to discard, a leadership unsurpassed if ever equalled in the annals of American history; or to repudiate a record of achievement in national and international affairs so amazing and successful that his friends proclaim it, and his enemies dare not threaten it with destruction.

Like all true believers in liberty the President fights and has always fought, not doggedly for opinions but for the right to entertain and express them.

From time to time my views may change. In the light of broader knowledge or modified conditions, my opinions may be altered. So may his. We both fight now and have all our lives fought for the right to harbor our opinions, to express and defend them, and to change them when convinced of error.

This is the essence of democracy. It was this conception of democracy which made Jefferson the premier among the defenders of freedom of thought, of the press, of education, of speech, and of religion.

It is this atmosphere of freedom that gives validity to the immortal words of Voltaire to Helvetius:

"I wholly disapprove of what you say, but will defend to the death your right to say it."

Because I believe in these eternal truths, and because they have been the sheet-anchor of his faith and the guideposts of his conduct in public and in private station, I present to this assembly for the office of President of these United States the name of one who is endowed with the intellectual boldness of Thomas Jefferson, the indomitable courage of Andrew Jackson, the faith and patience of Abraham Lincoln, the rugged integrity of Grover Cleveland, and the

scholarly vision of Woodrow Wilson—Franklin Delano Roosevelt.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

TRANSPORTATION FURNISHED BY NAVY DEPARTMENT FOR GOVERNMENT AND OTHER PERSONNEL

A letter from the Secretary of the Navy, transmitting, pursuant to law, a report relating to the furnishing of transportation for certain Government and other personnel necessary for the effective prosecution of the war (with an accompanying report); to the Committee on Naval Affairs.

LEGISLATION BY MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, V. I.

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of legislation enacted by the Municipal Council of St. Thomas and St. John, V. I. (with accompanying papers); to the Committee on Territories and Insular Affairs.

EDUCATION AND TRAINING OF DEFENSE WORKERS

A letter from the Acting Administrator of the Federal Security Agency, transmitting, pursuant to law, the fourth quarterly report of the United States Commissioner of Education on the education and training of defense workers, covering the period from April 1, 1944, through June 30, 1944 (with an accompanying report); to the Committee on Education and Labor.

REVISED EDITION OF SENATE RULES AND MANUAL

Mr. HAYDEN. Mr. President, from the Committee on Printing, I report favorably Senate Resolution 323, and ask unanimous consent for its immediate consideration.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHITE. I take it this is the usual form of resolution?

Mr. HAYDEN. Yes; it is the customary resolution.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the resolution (S. Res. 323) submitted by Mr. BYRD on August 23, 1944, was considered and agreed to as follows:

Resolved, That the Committee on Rules be, and it is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Seventy-ninth Congress, and that 1,500 additional copies shall be printed and bound, of which 1,000 copies shall be for the Senate, 200 copies for the use of the Committee on Rules, and the remaining 300 copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the committee.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN (for Mr. SCRUGHAM): S. 2125. A bill to permit the sale in foreign markets of newly mined gold or silver produced within the United States, its territories and possessions, including Alaska, and which may be surplus to the war effort; to the Committee on Banking and Currency.

By Mr. BURTON: S. 2126. A bill to authorize the Secretary of State to continue to completion the col-

lecting, editing, and publishing of official papers of the Territories of the United States; to the Committee on Printing.

By Mr. WALSH of Massachusetts:

S. 2127. A bill to further amend the Pay Readjustment Act of 1942; to the Committee on Military Affairs.

By Mr. HILL:

S. J. Res. 148. Joint resolution authorizing the disposal of certain blood plasma reserves; to the Committee on Education and Labor.

CITIZENSHIP REQUIREMENT FOR CERTAIN GOVERNMENT POSITIONS—CHANGE OF REFERENCE

Mr. STEWART. Mr. President, several months ago the senior Senator from Tennessee [Mr. McKellar] introduced Senate bill 521 requiring that persons holding certain positions under the United States be citizens of the United States. That bill was referred to the Civil Service Committee. I now ask unanimous consent that that committee be discharged from further consideration of the bill, and that it be referred to the Committee on Immigration.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and the change of reference will be made.

REDUCTION OF JUVENILE DELINQUENCY—AMENDMENT

Mr. ANDREWS submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 1578) to reduce juvenile delinquency by providing for the care and prompt return home of runaway, transient, or vagrant children of juvenile age, going from one State to another without proper legal consent, through the use of funds appropriated under the provisions of the Social Security Act for aid to dependent children, under certain conditions, which was referred to the Committee on the Judiciary and ordered to be printed.

UNIFORM UNEMPLOYMENT COMPENSATION—STATEMENT BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the RECORD a statement on the negative side of the question, "Should the Federal Government provide unemployment compensation above State standards during the reconversion period?" made by him on America's Town Meeting of the Air August 31, 1944, which appears in the Appendix.]

A CHALLENGE TO THE AMERICAN PEOPLE — ARTICLE BY ARCHIBALD MACLEISH

[Mr. HILL asked and obtained leave to have printed in the RECORD an article entitled "A Challenge to the American People," written by Archibald MacLeish, Librarian of Congress, and printed in the New York Times Magazine of August 13, 1944, which appears in the Appendix.]

PRODUCTION AND THE ACCOMPLISHMENTS OF AMERICAN LABOR

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a table showing production and the work performed by American labor during the war, which appears in the Appendix.]

DEWEY AS A FARMER—EDITORIAL FROM WICHITA EAGLE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "Dewey as a Farmer," published recently in the Wichita (Kans.) Eagle, which appears in the Appendix.]

THE ST. LAWRENCE SEAWAY—EDITORIAL FROM CHICAGO DAILY NEWS

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial entitled "Peace Job No. 1," dealing with the St. Lawrence seaway, published in the Chicago Daily News of August 25, 1944, which appears in the Appendix.]

ACTION OF O. P. A. ON TREBI BARLEY

Mr. LANGER. Mr. President, in connection with the various statements I have made upon the Senate floor concerning the action of the Office of Price Administration in arbitrarily defining trebi barley which resulted in a penalty of 15 cents a bushel to the farmers all over the Northwest, I have a letter from the Killdeer Grain Co., of Killdeer, N. Dak. I particularly wish to call the attention of Senators to the letter, because it shows how absolutely arbitrary and foolish the ruling of the Office of Price Administration is with reference to this barley. The letter, which was written on August 24, reads as follows:

KILLDEER GRAIN CO.,

Killdeer, N. Dak., August 24, 1944.

Senator WILLIAM LANGER.

DEAR SENATOR: I have your letter of August 21 regarding your efforts with O. P. A. on trebi barley notations in excess of 20 percent. This action is ridiculous. If the buyers wanted this barley before the Government action why in the world isn't it worth as much today as it was then.

Why should a farmer be penalized just because he raises trebi barley instead of some other type, any more than one farmer be penalized for raising black hogs instead of white hogs; along as the buyer is willing to pay the price up to the ceiling.

Any results you can get will be appreciated.

Yours truly,

E. L. MARSH.

I may add, Mr. President, that the War Production Board and the Agricultural Department both have asked the Office of Price Administration to change that ruling. They have done so day after day for a week, but to the present time the Office of Price Administration has not seen fit to revoke its ruling, and it is causing every farmer in the Northwest who is raising barley and who has 20 percent trebi in it a loss of 15 cents a bushel.

EXTENSION OF UNEMPLOYMENT COMPENSATION

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

Mr. GEORGE. I move that the Senate disagree to the amendment of the House, agree to the request of the House for a conference thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. GEORGE, Mr. WALSH of Massachusetts, Mr. BARKLEY, Mr. VANDENBERG, and Mr. TAFT conferees on the part of the Senate.

Mr. GEORGE. I now ask that Senate bill 2051, which is the bill just sent to conference, be printed showing the House amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. STEWART. Mr. President, a few days ago, while the bill providing for the disposal of surplus Government property was under consideration and was being debated, I made a statement on the floor of the Senate that I had been advised by members of the Military Affairs Committee that testimony before the committee by the present Administrator of Surplus War Property gave rise to the belief that he, as Administrator, would indiscriminately dump such property on the market immediately after it was declared to be surplus by the proper authorities. That statement was made by me at the time, and I so stated upon information received from members of the Military Affairs Committee.

I received a letter from the Administrator of Surplus War Property a day or two ago asking me to correct that statement on the basis that such an inference should not have been drawn from his testimony before the Military Affairs Committee. He enclosed an excerpt from his testimony which tended to show that he possibly had the contrary view, but I did not hear his testimony before the Military Affairs Committee. I made the statement, as I said, at the time upon information I had received, and therefore I am not in a position to make a correction of the statement as to the position of the Administrator of War Surplus Property.

I will state, however, that in the letter he wrote to me he said, in substance, that his position was misconstrued by the Military Affairs Committee. That is as far as I can go in making any explanatory statement.

AMERICAN LABOR AND THE WAR EFFORT

Mr. CHAVEZ. Mr. President, the contributions of labor to the progress of the American war effort should not go unnoticed on this eve of another Labor Day. It was but 3 short years ago that this Nation found itself in the vortex of a titanic struggle, and we discovered, to official and public dismay, that we were inadequately conditioned, both in trained military personnel and in the instruments of war, to undertake such action as would carry our men at arms to a not too distant goal of victory. Mr. President and fellow Senators, we need not strain our powers of memory to recall vividly the stresses and strains, and even anxiety, of those unpleasant days of unpreparedness. We remember the hustle and bustle incident to the conversion of American industry to the gargantuan task of producing implements of war in amounts calculated to reach astronomi-

age was planted to corn in the northern part of the State because of weather and soil conditions last fall at wheat-planting time.

While at home this summer I visited with a large number of farmers and corn growers who advised me it looked as though it would be impossible to get this corn harvested unless our section was able to secure a large number of mechanical corn pickers. Since returning to Washington I have received a number of letters regarding the situation and am convinced something must be done to relieve the critical labor shortage. As I advised you yesterday, I feel certain this matter must have the full consideration of the Department of Agriculture, the War Production Board, and any other agency which is in a position to give assistance.

I would appreciate very much any suggestions you might have and will be most pleased to cooperate with you in any way I can.

With kindest regards.

Sincerely yours,

FRANK CARLSON.

DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT AGENCY,
Washington, D. C., August 31, 1944.
Hon. FRANK CARLSON,
House of Representatives.

DEAR MR. CARLSON: This is in reply to your letter of August 23, in which you report of the urgent need for mechanical corn pickers in Kansas.

All machinery companies manufacturing corn pickers have been informed of the large corn acreage and the prospects for heavy yields in Kansas and other Great Plains States. Manufacturers are requested to fill the total corn-picker allocations in Kansas and other Great Plains States from their earliest production.

States in addition to Kansas for which this preferential delivery has been requested are: North Dakota, Montana, South Dakota, Nebraska, Colorado, Oklahoma, and Missouri. Increased corn acreages and prospective bumper yields in these States are similar to the conditions existing in Kansas. Because of the spotty drought conditions and a more favorable relative inventory of corn pickers on farms in the major corn-producing States, the request for early delivery to the States mentioned appears justified.

The request to the manufacturers emphasized the importance of filling the quotas for the above States before the season begins so that the pickers could be utilized to the maximum.

We have made repeated attempts to secure an additional allocation of corn pickers for Kansas, but this is not possible as the entire scheduled production has been allocated. It is believed, however, that material relief will result by the State receiving its entire allocation of corn pickers at the start of the season. It also means that any reduction in the production of corn pickers through failure on the part of manufacturers to meet their production schedules will have to be absorbed by States receiving later delivery. We believe that such States are in a better position to stand any reduction that might occur.

For your information, Kansas was allocated 485 corn pickers by manufacturers from the 80 percent of their 1944 scheduled production which they distribute without direction of the War Food Administration. Kansas was allocated 308 corn pickers from the 20-percent National Reserve by the direction of the W. F. A., making a total allocation of 793 corn pickers for the year compared with a total allocation of 375 for 1943.

Your concern in this matter is appreciated and we assure you that we will keep in close touch with the situation and will render every possible assistance.

G. F. GEISSLER,
Director, Western Division.

War Mobilization and Reconversion Bill of 1944

SPEECH
OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 31, 1944

The House in Committee of the Whole House on the state of the Union had under consideration the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

Mr. MILLER of Connecticut. Mr. Chairman, this amendment is very simple. I can conceive of situations where it would create a hardship, to put it mildly, if all of these contracts, particularly for large items, such as a ship or a huge aircraft like the *Mars* was ordered to be discontinued immediately following the cessation of hostilities. It seems to me if we say in this bill that we are not going to keep war industries going "merely for the purpose of providing business and employment" that we have said all that we should say. The added language "for any purposes other than the prosecution of the war" might interfere with the orderly termination of a contract for something the completion of which would be of value to the Army or Navy even after the war.

It might be that if the contract was not completed that the material used would be wasted and certain articles would not be worth anything except scrap if they were not completed. I cannot think of any sound reason for the language "or for any purposes other than the prosecution of the war." I can, however, see danger in it, and unless the committee has some purpose that I do not comprehend, I believe those words should be stricken from the bill.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. COOPER. With all deference to the gentleman from Connecticut, can he suggest any reason in the world for war production except for war purposes?

Mr. MILLER of Connecticut. Yes; certainly.

Mr. COOPER. For something besides war?

Mr. MILLER of Connecticut. Absolutely; for the peacetime establishment of our military forces it might be much more economical to finish the contract and turn it over to the Army or the Navy for peacetime utilization. We are going to have an Army and a Navy after the war ends, and that material will not be used for war purposes, the completion of an experimental plane for example.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. KNUTSON. Can the gentleman name any article of war of which there will not be a tremendous surplus when hostilities cease?

Mr. MILLER of Connecticut. Of course there will be surpluses of war material.

Mr. KNUTSON. Why make more?

Mr. MILLER of Connecticut. Are you just going to waste everything that is partly built. You should have an orderly termination of these contracts.

Mr. KNUTSON. The gentleman certainly would not advocate that we throw the taxpayers' money away in the production of something we are not going to need.

Mr. MILLER of Connecticut. The gentleman is asking me a foolish question. What is the committee's meaning of that language, "or for any purposes other than the prosecution of the war"?

Mr. KNUTSON. I presume the purpose of that language is to provide that we shall not engage in it.

Mr. MILLER of Connecticut. To that extent I agree. I do not want those contracts continued solely for the purpose of providing business and employment.

Mr. KNUTSON. The section reads, "shall not continue performance under such contracts merely for the purpose of providing business and employment."

Mr. MILLER of Connecticut. Is the gentleman going to leave a vessel in a shipyard 80 percent finished?

Mr. KNUTSON. I would rather lose 80 percent than 100 percent.

Mr. MILLER of Connecticut. You are not going to lose 100 percent. If you finish it, it has some real value.

Mr. KNUTSON. If you are completing it, you are putting 20 percent onto something that you have no further use for.

Mr. MILLER of Connecticut. I can conceive of a vessel 80 percent completed valued only as junk, but if you put 20 percent more into it, it can be sold.

Mr. KNUTSON. To whom?

Mr. MILLER of Connecticut. To other nations; to private companies.

Mr. KNUTSON. To Germany or Japan?

Mr. MILLER of Connecticut. The gentleman knows I am not proposing selling vessels to Germany or Japan.

Mr. KNUTSON. I am asking for information.

Mr. MILLER of Connecticut. Any other United Nation may want to buy it.

Mr. KNUTSON. And the national debt which you would have—

Mr. MILLER of Connecticut. I refuse to yield further.

Mr. BLAND. The idea is to finish the vessels, as we did in 1918 and 1919, rather than to scrap them.

Mr. MILLER of Connecticut. That is the very thing I am thinking of. In 1919 unfinished vessels rusted out in shipyards all over the Atlantic coast. A comparatively small sum of money would have given them a real value. Instead of that, they laid on the ways and rusted out, and finally were sold as junk or sunk.

I do not want to go on making war material just to furnish business and employment, and I agree with the committee, but I think the language I would strike out might well interfere with the orderly winding up of these contracts, because somebody will come along and say that factory A or shipyard B is simply trying to make business and employment. You do not give the Director any leeway in an orderly conclusion of contracts.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield to the gentleman from South Dakota.

Mr. CASE. It strikes me that if anything is to be done to this language it should be to restore a portion of that which was stricken from the Senate provision, and instead of striking out what the gentleman proposes to strike out, add the words:

Unless the continuation of some or all of the work under any such contract will benefit the Government.

Mr. MILLER of Connecticut. That would accomplish my purpose. It seemed to me the simplest way, would be to say that war material shall not be manufactured simply to make work, but if there is some other good reason for completing a contract it should be completed. Increased salvage value might be a good reason.

Mr. CASE. I fear that the gentleman's amendment does not entirely cure the matter. It would leave the words in the first part of section 201 that—

Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war.

The situation is not met by simply striking out what the gentleman proposes to strike out. I agree with him that there may be instances where a completed article may have more salvage value than the material scrapped in partial completion. It may be to the interest of the Government to complete some items that are more than half finished. Such a situation can be provided for if the conferees keep in the first part of the language that follows this section in the Senate bill. That would add:

Unless the continuation of some or all of the work under any such contract will benefit the Government.

And would continue to omit the following words:

or is necessary to avoid substantial injury to a plant or property.

That language is not necessary since allowance for such injury can be made in the settlement for contract termination.

Sidney Hillman

EXTENSION OF REMARKS
OF

HON. FRED E. BUSBEY
OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 1, 1944

Mr. BUSBEY. Mr. Speaker, 4 years ago the New Dealers in the Democratic Party had their own hatchet men going about the country purging men in public office who would not bow to their dictates. In this campaign Earl Browder and the Communists, along with Sidney Hillman and the C. I. O. Political Action

Committee, have joined forces to relieve the administration of this dirty, filthy job.

The following biography is taken from *Who's Who in America*, volume 23, 1944-45, Two Years, and in accordance with the custom of the compilation of *Who's Who in America*, Sidney Hillman has this to say about himself:

Hillman, Sidney, labor leader; born Zagare, Lithuania, March 23, 1887; son Schmuel and Judith (Palkin) Gilman; came to United States at age of 20; received rabbinical education; married Bessie Abramowitz, 1916; children—Philoine (Mrs. Milton Fried), Selma (Mrs. Irving Lerner); department under United Garment Workers, at Hart Schaffner & Marx, Chicago, 1911-14; chief clerk under Brandeis' protocol in Cloakmakers' Union, New York, February-October, 1914; president, Amalgamated Clothing Workers of America since 1915; chairman of board, Amalgamated Bank of New York; director, Amalgamated Trust & Savings Bank, Chicago; led strike, Hart Schaffner & Marx, which resulted in collective agreement with that firm, 1910; strike in New York which achieved 48-hour week, 1916, the 44-hour week, 1919; organized Rochester market, 1918; organized Chicago market, 1919; visited Russia, 1921, and made agreement for transmission of American dollars; made agreement with Arthur Nash Co., Cincinnati, 1925; organized Philadelphia market, 1929; built cooperative houses in New York; established unemployment insurance fund, Rochester, Chicago, and New York; member of Labor Advisory Board, N. R. A., 1933, National Industrial Recovery Board, 1935; member, Advisory Board, National Youth Administration, 1935; reached first national collective bargaining agreement in men's clothing industry in 1937; member textile and apparel industry committees, Fair Labor Standards Board, 1938; vice president, Congress of Industrial Organizations; chairman, Textile Workers' Organization Committee, 1937-39; chairman, executive council, Textile Workers' Union of America, since May 1939; appointed labor member, National Defense Advisory Commission, 1940; became associate director-general, O. P. M. and director, Labor Division of same, 1941; appointed to Supply Priorities and Allocation Board, September 1941, director, Labor Division, W. P. B. 1942; member, Academy Political and Social Science, home, 237 East Twentieth Street, New York, N. Y.; office, Social Security Building, Washington, D. C., also 15 Union Square, New York, N. Y.

Mr. Speaker, because Sidney Hillman is the spearhead in this purge and smear campaign, the following facts concerning him, which he did not include in his biography in *Who's Who in America* should be of interest to the voters.

Sidney Hillman was born in Zagare, Lithuania—then a part of Russia; was a leader of the Russian Revolution of 1905 in Zagare, according to the Communist press; was president of the Amalgamated Clothing Workers of America, but never a worker at his trade; a writer of a book on the Russian Revolution, entitled "Reconstruction of Russia and the Task of Labor;" conferred with Lenin in 1922 regarding the establishment of the Russian-American Industrial Corporation, of which Hillman was president; donated \$3,000 to the Jewish Communist paper, *Freiheit*, in 1921; head of the Hillman-Communist coalition, together with VITO MARCANTONIO in the American Labor Party in New York.

It is very encouraging to read in the press every day that officers and members

of the C. I. O. are beginning to realize Sidney Hillman's real objective is not in the cause of labor, but a determined effort to take over this Government of ours, to perpetuate Mr. Roosevelt and all his satellites in power until such time as they can completely take over and abolish our representative form of Government.

The question before the American people today is a very simple one. It resolves itself into the following proposition. This is your America. Do you want to turn it over to Sidney Hillman? Or, in other words, do you want Sidney Hillman to rule this country?

Freedom of Speech

EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 1, 1944

Mr. CURTIS. Mr. Speaker, under leave to extend my remarks, I include an editorial from the *Bergen Evening Record*, published at Hackensack, N. J., on August 23, 1944. The editorial is as follows:

Richard F. Frankenstein, one of the Nation's best known spokesmen for that far-to-the-left labor organization known as the C. I. O., has appeared before the Federal Communications Commission to demand that radio station WHKC of Columbus, Ohio, be barred from the air because it allegedly permitted programs on its station opposed to organized labor and the New Deal. The station denies the allegation, but why it bothers to do so is beyond this writer's comprehension.

It seems to him—and it should seem to every citizen of this self-governing democracy, in which the people are the masters and their elected officials are the servants—that it is high time for the Congress of all the people to notify the Federal Communications Commission that the United States Constitution, that sacred covenant among the people and between them and their transiently elected governments, still lives, especially the first amendment thereof. And it might also be timely for the Congress to ask itself and to answer the question: What is the C. I. O., what is the New Deal, and what have they done or tried to do to the most progressive and the most productive nation in the world?

Perhaps it has forgotten that the C. I. O. followed the party line by sabotaging America's rearmament program when Communist-beloved Russia was a partner of Hitler's Nazis prior to his historic double-cross, a device to which the C. I. O. is not an entire stranger. It struck; it sat down; it seized munition plants, and stopped production; and it imported to the United States of America the Communist technique by superimposing mob rule on United States Government by law.

Here in Bergen County it had the effrontery to take over main State highways to the exclusion of the motoring public who paid for them; it would not permit local residents access to side streets on which their homes were located, and it called this writer a neryv — because he quietly but insistently asserted his rights as a taxpayer. Yes, according to real American standards

There never was a time when there was such need for strong men of vision to translate into civic life the same new character of invention and instruments which have revolutionized warfare. A way must be found by which radar, robots, tanks, and other devices can be applied to the location and destruction of the diseases, the poisonous bugs, the malarialism, the ignorances, and the prejudices which prey upon mankind. We need in the days ahead creative Edisons, Wrights, Pasteurs, to name only three pioneers of progress. Will not some member of this class guide robots to the destruction of the pestilences that lay in wait for their fellowmen?

Just now, coming out of the atmosphere of a world in arms, you will be confronted with a challenge to enroll in a real battle for a righteous cause that will call for opposition of powerful influences. Gold braid and brass hats and decorations, associated with valor and victory, will make a strong appeal to carry over into peacetimes the trappings of war.

Already, while fighting is in progress, there is propaganda to put all the youth in uniform. There are not wanting those who approve the Mussolini and Hitler plan of introducing military training in the elementary schools. Others would confine it to the high schools. The argument is that it makes for physical strength and disciplines youth. True, but it was on the athletic fields of Rugby—not compulsory drilling that won the Battle of Waterloo. When all youths in our schools receive athletic training, as they should, they will be fit and ready for the duties of peace and war.

Advocates of compulsory military training are in four classes: 1. Those who think the schools cannot insure physical fitness; 2. Those who lack faith that post-war wisdom can organize and undergird lasting peace; 3. Those who are congenial militarists; 4. Those who wish standing armies ready for colonial exploitation or imperialism.

It will be unpopular for awhile to combat this un-American doctrine. All the more reason for enlisting and battling against permitting the evil of militarism to get its feet under the tent in a democracy which it would endanger. This country was born in hostility to colonialism. The introduction of compulsory military training would turn back the clock of self-government and democracy. Fight against it and all other encroachments upon individual liberty.

As you enroll in the army for democracy and for personal liberty, threatened tomorrow by the glamour of the goose step, you will be upheld by this summer in the immortal words of Matthew Arnold:

"Charge once more, then and be dumb!
Let the victors when they come,
When the forts of folly fall
Find thy body by the wall."

Black-Pencil Ballots

EXTENSION OF REMARKS OF

HON. GRANT FURLONG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 1, 1944

Mr. FURLONG. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Evening Star of August 31, 1944:

BLACK PENCIL BALLOTS

Just why the Ohio election laws should require that absentee ballots be marked with

black lead pencils is one of those legislative mysteries that has to be filed away among the unsolved crimes against common sense. On the face of it there would seem to be no reason under the sun why a ballot marked with a red pencil, a blue pencil, or even with pen and ink, is not just as valid and just as deserving of being counted as one that is marked with a black pencil. But a different view seems to prevail in the Buckeye State, and a controversy of no small proportions is well under way.

The State auditor, a Democrat, is threatening to file suit to compel the election authorities to send a pencil, presumably one with black lead, to every soldier requesting an absentee ballot. But that is a poor solution. Some soldiers, like some civilians, probably have a way of mislaying their pencils and, in the heat of battle, a mislaid pencil can be a very difficult thing to find.

A simpler remedy, it would seem, would be to change the law. But Ohio's Governor Bricker, who is also the Republican Vice Presidential candidate, is opposed to this. He says that it is a "clean politics" law, designed to protect the "secrecy of the ballot," and that the State election boards were being instructed to count only those ballots that are marked with black pencils.

All of this is confusing, to say the least. But there is one day of hope. The governor, after thinking the matter over, said he had not closed the door on the issue and that he would study it further. Perhaps this will lead to the conclusion that the law is a silly one and that it ought to be changed. After all, the inability to find the right pencil at the right time is as apt to be a Republican failing, and it may be that quite a few of Ohio's soldiers will want to vote the Republican ticket.

Vermont Republicans

EXTENSION OF REMARKS OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 31, 1944

Mr. PLUMLEY. Mr. Speaker, under leave heretofore granted, I am including as an extension of remarks the address which I delivered at the Republican State convention at Montpelier, Vt., on the forenoon of August 30:

Mr. Chairman, a man who heard Abraham Lincoln, the first Republican President, deliver the immortal address at Gettysburg, says we are all mistaken when we emphasize "of the people, 'by' the people, and 'for' the people." Lincoln said, "of the 'people,' by the 'people,' and for the 'people.'" There is a big difference. It is the responsibility of the Republican Party to see that the people realize that difference, and the desperateness of their situation, to take advantage of their possibly last opportunity to save themselves.

It is conceded that Nation-wide there will be cast the smallest vote next November ever cast in a Presidential election. The absence of so many citizens overseas and in employment away from home are two reasons.

It follows there is and there will be no great enthusiasm for candidates as such. It cannot be manufactured nor be relied upon to get out the vote, because the real enthusiasm of the people stems from their faith in themselves, their demonstrated ability to win the war, and intention to do so, and that right early. So they are not particularly interested in politics, post-war planning, or the election. They want the boys back home,

victorious, and soon. However, we must make them understand and appreciate the fact that though they may win the war they may lose all for which they have fought, if the New Deal makes the peace. They can win the war and lose the peace.

We have met here today to dedicate ourselves to make the road on which America can march toward victory, toward opportunity, toward peace. We Vermont Republicans are determined to restore Republican leadership from the grass roots to the Presidency. And now.

It is easy to say, but difficult of accomplishment. As Governor Earl Warren, of California, said the other day, "Whether we win as a party is of less importance to us than whether we win as a people."

The C. I. O. Political Action Committee recognizes the situation completely. It has been preparing for it for 2 years—or since it determined to back Mr. Roosevelt for a fourth term. Such a possibility, even, is a menace to democratic republican form of government any time, any place, or anywhere.

However, you just cannot laugh off the millions of political primers and pamphlets which have been and are being distributed Nation-wide and are still in preparation by this organization to do that very thing.

The years immediately ahead are the most critical we have ever faced—the years of decision when new patterns will be formed. The people, fed up with years of New Deal fallacies, tired and confused by war and post-war problems, need as never before to be kept alert and informed as to their political interests.

The 1944 elections will decide many things. How the war will end. How secure our peace will be. And whether we shall have full employment and win our fight over a government by a man, poverty, illness, and ignorance, for one of law. Never before has it been so important to vote.

A crystal ball can't reveal your future—nor a pattern of tea leaves in the bottom of a cup. But the coming election will. Your dreams for a world of peace and freedom and security, and the preservation of free enterprise at home will depend on the kind of President and Congress that you help elect. You want men who will truly represent the interests of the people. To get them you must understand the issues of this election.

Philip Murray tells the C. I. O. plenty as he hands his primer to them with instructions as to how to get the vote. "You must vote," he says, and makes available the necessary funds to serve the best interest of the people. His ideas are neither new, novel, nor patented. Though his advice to his partisans is not intended to be instructions for the Republicans it may very well be read by and taken to heart by us as such. Victory in a political campaign is spelled by votes, and to get the votes out this year is the elemental effort that will mean victory or defeat. Organization is the slogan.

The fact is that as Republicans the last few years we have depended too much on speeches and big talk. We've drawn big crowds at our rallies and got a lot of applause, but when the votes were counted the other fellows' candidate had them and was elected.

It must not happen again. We must organize from the bottom to the top. And that means that everybody must work as never before. We should put up or shut up now, or forever after hold our peace.

All the Republican governors and each and every Republican Member of Congress may talk night and day till election day without avail, and we may lose the election for—

"It ain't the guns nor the armament
Nor the Army as a whole,
But the close cooperation
Of every-bloomin' soul."

It's organization which counts.

The issues are simple: Whether we are going to elect a government which will take our

country along with the rest of the world into a peaceful and prosperous future, or whether we shall lie down and let the totalitarians run over us forever, as they smash democracy at home and start sowing the seed of World War No. 3. The answer is to be found in the vote of the people on November 7. It is your responsibility, my responsibility, and particularly the responsibility of the Republican Party.

The duty of the Republican Party is found in the situation which confronts us; its obligation to correct that state of affairs has been assumed and defined; its responsibility to do its duty, to discharge its obligation was never heavier nor greater since the day it became a power in politics.

What the people must be made to realize is that unless they save themselves this time, the government of, for, and by the people will have ceased to exist.

What the voters must understand and be made to appreciate is that these are not just words, but facts.

Crises are nothing new to the Republican Party. It has been well said that, "The Republican Party was born in a great crisis." The American people turned to it because they wanted to get safely, speedily through that crisis and get on their way again. Then as now, the Republican Party was called by the people to displace a regime of men who had grown tired, complacent and cynical in the business of government. Then as now, the Republican Party was called upon to replace a party that was torn with dissension and in revolt against itself. Then as now, the Republican Party was called by the people to furnish youth and vigor and vision.

Now, as then, the Republican Party will respond to that call. It will represent the Nation, the whole Nation and nothing but the Nation. It will devote itself fervently to the problems of the people and in everything it does the Constitution of the United States of America will be its guiding star. It will function through established law and not through the caprice of bureaucratic regulation. Its greatest concern will always be for those who have the greatest need. It will conduct Government openly where the people can see, discuss, and decide. It will operate less from the Government down and more from the people up. It will make wise and careful use of the people's money. It will keep the public's books in such a way as to allow the people to see how their money is used. It will see that taxes are just, visible, and designed to stimulate rather than punish. It will strengthen our great public school system, keep it under the control of State and local government, where it is responsive to the people, and prepare it to play a stronger part in the life of the Republic. It will promote peace in industry by stimulating good will between labor and management. It will free the agencies of public information from the domination of Government. It will make fully effective the immeasurable strength of the Nation by promoting good will and unit at home. It will not be cocksure in good times or depressed and cynical in bad times. It will direct our combined material and spiritual resources against the enemies of our country. It will make any sacrifice to achieve victory even one day sooner so our boys can come home. It will see to it that they are cared for when they do come home. It and we will honor them the rest of our lives.

The question is, Will the Republican Party rise to the occasion and be equal to its destiny? To ask that question is to ask whether Americans have the will to live.

It has been well said that our natural tendency to drift, our individual indifference to public duty, our lack of any positive policy at home or abroad are the results not of the attempt to do great things, and of failing, but

of a long habit of not having to do great things. We are to blame for having done too little too late.

The Republican Party is challenged today as it never has been before. It must exert itself fully, and believe in and work out its destiny as the saviour of a Republican-Democratic form of government and a civilization which it comprehends.

If we comprehend our destiny we shall become equal to it. As Walter Lippmann said of America, I say in closing, "The vision is there, and our people do not need to perish."

The Republican Party, to paraphrase him, is now called to do what its founders and the pioneers always believed was the American task—to make the New World a place where the ancient faith can flourish anew, and its eternal promise at last be redeemed.

That is the challenge of this day.

Reconversion

EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 31, 1944

Mr. MILLER of Connecticut. Mr. Speaker, many Members of Congress and millions of civilian war workers have looked forward to the passage of legislation that will better prepare us for the transition from a war economy to a normal peacetime economy.

For the past several months committees of both the House and Senate have been studying post-war plans. All recognize the fact that waging war is the responsibility of the Federal Government. Our soldiers and sailors do not fight as New Yorkers, as Ohioans, or in the name of any other State. It is the responsibility of the Federal Government, not only to actually fight the war; but to accept the task of changing over our industries to meet the war needs. It is just as much our task to make certain that our industries, which include buildings, equipment, and labor, are properly set going on peacetime pursuits.

Frankly, the bill now before us is disappointing. Its passage will not do any harm but neither will it be much help to anyone. Its passage could be harmful if we took the position that we have done all we can do toward preparing for reconversion. As I see it, all this bill does is to approve the provisions of the President's executive order creating the office now filled by the Honorable James F. Byrnes and second, it does provide that that if any State's unemployment funds are exhausted, the Federal Government will loan that State the money needed to keep the fund solvent.

I feel certain that if extended open hearings had been held on this legislation some plan could have been devised that would provide adequate unemployment compensation without wrecking the State's control of this activity. Without too much trouble we could have found out how many men and women have moved into Connecticut, using Connecticut for example, to work in our war industries. Providing for them is the re-

sponsibility of the Federal Government. If any, or all, of the people who move into a given State to do war work become unemployed, it is the Federal Government that should see that they can get back home and that they receive unemployment compensation until they can find another job. The money needed to do this should be paid into the Connecticut Unemployment Insurance Fund by the Federal Government without waiting for that fund to become depleted. Every other State should be treated the same way.

How can we justify paying unemployment compensation to men who have earned large wages in private industry and then refuse the same benefits to the girls who have been working down here in the War and Navy Departments for \$1,440 or \$1,680 a year and paying the high cost of living here in Washington? Employees of many war factories can look forward to work on peacetime products as soon as the tooling up has been completed, but thousands of the employees of the Federal Government whether employed in offices or in shipyards and arsenals, know that when they are laid off their services will never again be needed by this Government. As I see it, we have a greater responsibility to provide for the employees of the Federal Government than any other group mentioned during this debate. Included as Government employees, in fact at the head of the list, should come those who have manned and are manning our merchant marine.

The preparation of legislation to meet the needs of reconversion is the responsibility of the party in power. Leadership has been sadly lacking during the preparation of this legislation. Is the President opposed to unemployment compensation for Government employees? Is this committee bill an administration bill? We must assume that it is, even though his party leaders have been strangely silent during this debate.

The ruling of the chairman, sustaining points of order raised against several amendments, make it absolutely necessary that we give immediate thought to the problems not adequately dealt with in the present legislation. I am not criticizing the ruling of the Chair, as I realize that no other rulings were possible.

If there is a record vote on this measure I shall note "no," not because I am opposed to its provisions, but rather because it fails to meet our needs.

Poland After 5 Years of War

EXTENSION OF REMARKS

OF

HON. THOMAS S. GORDON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 1, 1944

Mr. GORDON. Mr. Speaker, 5 years ago today the war engulfed the world. On September 1, 1939, the Nazi Germans invaded Poland, without declar-



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 78th CONGRESS, SECOND SESSION

Vol. 90

WASHINGTON, MONDAY, SEPTEMBER 18, 1944

No. 151

Senate

The Senate was not in session today. Its next meeting will be held on Tuesday, September 19, 1944, at 12 o'clock meridian.

House of Representatives

MONDAY, SEPTEMBER 18, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Praise ye the Lord, for His mercy endureth forever. As the watchmen wait for the morning so we wait for divine guidance; bring our souls into the mood of hoping and trusting in Thee. Unite joy and duty, privilege and responsibility, for we cannot offer a more convincing testimony before our Republic. As the world today is struggling in the shadow of a great crisis, bless our whole land and lead it to seek not only its own aggrandizement but the universal peace and good of mankind.

Eternal God, so often our weakness is more conspicuous than our strength. Man, with his boasted power, weighs the mountains and the hills, yet his immortal soul needs a refuge. We would open our hearts to Thee that they may become the temples of Thy spirit and the vessels of Thy grace. Continue, blessed Lord, our allegiance to the soul and spirit of our dear homeland and grant that our determination may never swerve nor fail until the light of freedom breaks over the dark lands of this striving world. In the name of our blessed Redeemer. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, September 14, 1944, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 99. Concurrent resolution relating to the enrollment of H. R. 4271.

The message also announced that the Senate had passed bills and a concurrent

resolution of the following titles, in which the concurrence of the House is requested:

S. 2007. An act for the relief of Lum Jacobs;

S. 2105. An act to amend and supplement the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad-grade crossings, to provide for the immediate preparation of plans, and for other purposes; and

S. Con. Res. 51. Concurrent resolution authorizing a change in enrolling the bill (H. R. 4257) to expatriate or exclude certain persons for evading military and naval service.

CONSENT CALENDAR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar today be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WAR MOBILIZATION AND RECONVERSION ACT OF 1944

The SPEAKER. The Chair recognizes the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Speaker, pursuant to the action of the House taken on last Wednesday, I offer a motion, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. DOUGHTON moves to instruct the managers on the part of the House in the conference on the disagreeing votes of the two Houses on the bill (S. 2051) entitled "An act to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes," to insist on their disagreement on section 303 of said Senate bill relating to transportation of civilian workers.

The SPEAKER. The gentleman from North Carolina [Mr. DOUGHTON] is recognized for 1 hour.

CALL OF THE HOUSE

Mr. CRAWFORD. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 111]

Baldwin, Md.	Fitzpatrick	Norton
Baldwin, N. Y.	Ford	O'Brien, N. Y.
Barry	Fulbright	O'Connor
Bates, Ky.	Furlong	O'Neal
Bell	Gale	Patman
Bennett, Mich.	Gallagher	Phillips
Bennett, Mo.	Gibson	Ploeser
Blackney	Gifford	Poage
Bloom	Gilchrist	Poulson
Bolton	Granger	Pracht,
Boykin	Hagen	C. Frederick
Bradley, Mich.	Halleck	Reece, Tenn.
Brehm	Harris, Va.	Richards
Brooks	Hartley	Rizley
Brumbaugh	Hays	Robison, Ky.
Buckley	Hendricks	Rogers, Mass.
Burgin	Hoeven	Russell
Busbey	Hollifield	Sabath
Cannon, Fla.	Holmes, Wash.	Satterfield
Cannon, Mo.	Horan	Sauthoff
Capozzoli	Izac	Schwabe
Carrier	Jackson	Sheppard
Carter	Jennings	Sheridan
Casc	Johnson,	Sikes
Clark	Ward	Slaughter
Clason	Judd	Smith, W. Va.
Courtney	Kennedy	Somers, N. Y.
Curtis	King	Stefan
Dewey	Klein	Stevenson
Dickstein	Kunkel	Stockman
Dies	Lambertson	Sullivan
Douglas	LeCompte	Tolan
Drewry	Lemke	Treadway
Elliott	McCord	Vinson, Ga.
Ellis	McKenzie	Wadsworth
Ellsworth	McLean	Wasieleski
Elmer	Miller, Mo.	Weaver
Engle, Calif.	Morrison, La.	Weiss
Fay	Morrison, N. C.	We'ch
Fisher	Mundt	Wiley

The SPEAKER. On this roll call 312 Members have answered to their names. A quorum is present.

Further proceedings under the call were dispensed with.

WAR MOBILIZATION AND RECONVERSION
ACT OF 1944

Mr. DOUGHTON. Mr. Speaker, I yield myself 10 minutes and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the motion of the gentleman from North Carolina be again read at this time for the information of the House.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk again read the motion.

The SPEAKER. The gentleman from North Carolina [Mr. DOUGHTON] is recognized for 1 hour.

Mr. DOUGHTON. Mr. Speaker, the House conferees on the bill S. 2051 have found it necessary to come back to the House for instructions on two provisions contained in the bill as passed by the Senate but not in the bill passed by the House. These two provisions are, first, transportation pay for war workers, including Federal employees; and second, unemployment compensation for Federal employees.

This is the first time in my more than 11 years as chairman of the Committee on Ways and Means that our conferees have found it necessary to come back to the House for instructions. I believe this record of the conferees on bills from our committee proves that we are not unreasonable or unwilling to consider and accept proper and equitable adjustments and compromises which are not in direct conflict with the action of the House.

The House has before it today two important issues which should be seriously considered in order that they may be wisely acted upon. The Committee on Ways and Means reported, by a large majority, this legislation, omitting, after full discussion and consideration, these two provisions for what our committee considered sound reasons, as fully set forth in the committee report. Efforts were made on the floor of the House to restore these provisions, but they were ruled out on points of order. However, I have every reason to believe that had a vote been taken in the House the position taken by the Committee on Ways and Means would have been sustained. It is, therefore, an undeniable fact that the House, by a large majority, passed the bill substantially as reported by the Committee on Ways and Means. The proponents of these two provisions could not muster sufficient support for a yeand-nay vote on final passage.

Confronted with this situation, your conferees did not feel, as agents of the House, they could or should agree to the inclusion of either of the provisions as passed by the Senate. Both of these pro-

visions certainly are a departure from well-established and long-standing Government policy.

The transportation pay for war workers, which, of course, would include Government employees, is now under consideration. This proposes to give every civilian employed in activities essential to the war effort up to \$200 for his transportation back home, or to another job. This would include his family and household effects.

Now, what are activities essential to the war effort?

Can anybody tell just what activities are essential to the war effort? I have never been able to get a satisfactory definition of what is meant by "activities essential to the war effort." I think that under those words almost anyone could build up a case and receive free transportation under this provision.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield for a brief question.

Mr. KNUTSON. Under that liberal construction the grocery clerk who measured out 5 pounds of sugar for a war worker would be contributing toward the war effort.

Mr. DOUGHTON. Certainly. In my judgment there would be no place to draw the line.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I am sorry; I do not have the time.

Transportation would be provided regardless of need, amount of wages earned, or length of time employed. No limit is placed on the number of times free transportation might be provided a war worker.

To me this is an undisguised raid on the Treasury for which I can see no justification whatever. These workers have been drawing the highest wages and salaries in history; they knew what their wages would be when they accepted employment, and this would be simply a bonus out of the Federal Treasury which they did not expect and for which no valid reason can be assigned. It is equivalent to Congress saying to Federal employees or workers: "Do not worry about saving money, the Government will pay your way home or to another job and when you get there, your unemployment compensation will pay you for sitting down in idleness—eat, drink and be merry—take no thought of tomorrow—your Government will take care of that." No private industry has ever adopted any such loose policy, and certainly it is no time now for the Government with an empty Treasury, a huge debt, and heavy taxes, to embark upon such an unprecedented and unjustifiable course.

Nobody knows, although the question has been asked repeatedly, what the cost of this provision would be. The only answer has been, "We have no idea as to the cost." From the discussions we have heard, it appears that the only excuse for such a provision is to take care of a prospective, or possible social problem which may arise in certain sections of the country which have been, and are doing, the majority of the manufacturing for

the war. These communities have benefited greatly from such war activities and should be in a position, if help is needed, to deal with the problem. These communities have enjoyed great prosperity as a result of war work and war business, which in most cases they have solicited and which other communities were not so fortunate as to enjoy. For these, and many, many other reasons, too numerous to mention in the brief time at my disposal, I trust the House will overwhelmingly sustain the position taken by its conferees on this proposition.

Since I do not intend to take up the time of the House later on today, I will refer briefly to the other issue on which instructions are being requested. This relates to unemployment compensation for Federal employees. Those favoring the Senate provision dealing with this subject justify their position by saying that there is discrimination in favor of employees in private industry against Government workers. If there be such discrimination—I think it is greatly overstated—it has existed since the enactment of the Social Security Act and is not restricted to Federal Government workers, as they are not the only group not covered by unemployment insurance. If a change in policy on this matter is needed, it has not been sufficiently studied and the matter has not had the consideration necessary to pass upon it either intelligently or equitably. If Federal employees are covered, leaving out school teachers who work for low salaries and are unemployed 2 or 3 months in the year, white-collar workers by the thousands, domestic servants, merchant seamen, farm laborers, and all who, as a rule, have worked for lower wages or salaries will justly complain that the discrimination against them has been accentuated.

Moreover, Federal employees, while not receiving unemployment compensation benefits, do receive benefits that no worker in private industry enjoys. A few days ago the House passed a bill that would give the Federal worker, in either an office, shipyard, or arsenal, his accumulated annual leave in a lump sum payment. It will also be remembered that the Government's policy as to annual leave is much more favorable than that of industry. In addition, there is a refund of his retirement contribution, if he has worked for the Government less than 5 years, which is a sizeable amount. With this money the Federal employee will have available, at the time of discharge, more money to carry him over the adjustment period until he gets another job, than the worker in a private plant.

Certainly this unemployment insurance was not taken into consideration by the Government when salaries were fixed, as was the case with respect to private employment.

So far as I can see personally there is no reason at this time for enacting such a provision. According to recent statements by highly respected Government officials, to-wit: Justice Byrnes, Administrator Paul McNutt, and the new head of W. P. B., Mr. Krug, no serious

unemployment problem in the near future is foreseen.

A few days ago the Gallup poll showed that more than 70 percent of the public did not favor the Government giving the war workers money when the war is over, and this of course means Federal employees doing war work. This poll, in my judgment, bears directly, and reflects the sentiment of the people, on both issues involved here today.

No one has attempted to estimate the cost of the two matters in disagreement. One of my colleagues, a few days ago, on this floor, estimated the cost of unemployment insurance for Federal employees to be from four hundred million to \$1,000,000,000 annually. The Senate has passed a \$1,300,000,000 road bill and there are other proposals being advanced to dig deeper into the United States Treasury. At the same time the taxpayers throughout the country are justly clamoring for relief from burdensome and oppressive taxes; business is urging that lower taxes are necessary in order to give business an opportunity to expand and thereby employ more and more people to produce the things necessary to meet civilian demands, and unless such relief is afforded that we may have a very serious unemployment problem. Every day I receive letters and calls that we should reduce taxes and give business a chance, but this will be impossible if we continue to authorize additional and increased appropriations. Our Government must make certain the redemption of the bonds our people have been urged to buy, and now, with our huge debt rapidly approaching \$300,000,000,000, our unbalanced budget, our oppressive taxes, it is no time to be making new departures in Government policies which call for larger and larger Government expenditures.

State and local governments are in a much stronger position financially today than the Federal Government. The people have increased their savings since the war started nearly \$100,000,000,000. They can and should be expected to help themselves. The individuals and the local governments must become more self-reliant, and not look to Washington for assistance on every matter that arises.

If the unemployment situation should become acute, which I hope it will not, Congress will be in session and no one will be more ready than myself and more earnest in his efforts to meet and deal with the problem when it arises and when it can be done with a greater degree of justice to both the taxpayer and those for whom relief is sought.

The SPEAKER. The gentleman from North Carolina has consumed 10 minutes.

Mr. DOUGHTON. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I realize that the time is short to cover this subject thoroughly. I also realize there is an honest difference of opinion on this subject. There are Members who conscientiously believe that the provision in the Senate bill should be embodied in this bill. However, there are fundamental prob-

lems involved—problems of the expansion of the Social Security Act and many other problems that could not properly be considered in the short time the committee had for the consideration of this bill. In view of this honest difference of opinion, and the fact that we did not have sufficient time to go into this question fully and conduct hearings, it is my purpose, Mr. Speaker, if the action of the conferees is sustained, and I hope it will be, at the first practical date to call the Committee on Ways and Means together for further consideration of this very involved and very important matter. When these hearings can be had, and the matter gone into fully, we can perhaps arrive at a satisfactory conclusion. There is a further related question, which is more important than all, and that is the question of the estimated cost and where the money is coming from. The country is clamoring, business is clamoring, for tax reduction. If we continue piling up authorization after authorization blindly to meet every excuse and every request that is made, we cannot expect any relief from the burden of taxation. It is time that consideration be given not only to tax relief but also to some action for the people at large. Somebody will speak for these people. It is well to realize that more and more people are becoming tax conscious every day. People are watching our actions today more so than ever in the history of this country since we have increased the tax burden and have brought in so many people on the tax rolls with small incomes. They are going to hold us responsible for any reckless and unjustifiable authorizations.

Mr. Speaker, I hope the conferees of the House will be sustained.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, first of all, I want to pay tribute to that wonderful American and legislator, the chairman of our committee, the gentleman from North Carolina [Mr. DOUGHTON]. In my long service in this body he stands out as one of the towering giants. I have not served with him for all these years without becoming very well acquainted with his sterling qualities, his incorruptible integrity, and his unimpeachable Americanism.

A peculiar situation exists in the House at the present time in that the two parties are so closely on a level that neither side can escape responsibility for what we here do today. The two propositions that we have before us offer something new in the way of legislation, and they propose to establish precedents in government. The gentleman from North Carolina, the distinguished chairman of the Committee on Ways and Means, very ably set forth in the limited time allotted to him the two points of difference between the body at the other end of the Capitol and this body—that is, the award of travel pay to war workers and the proposal to cover all Government employees not now in the regu-

lar classified service into social-security benefits.

It is significant that none of the Senate conferees could give us any idea as to what the two proposals would cost. That is most unusual, especially in view of the fact that each one of you now has a share in the national debt amounting to about \$2,000; not only is that your share but it is the share of every man, woman, and child in this country. Today the national debt is rapidly approaching the quarter-of-a-trillion-dollar mark. Think of it! At the rate we are traveling it will not be long before we will talk in terms of trillions instead of billions. I have seen that transition take place right in this body in the last 27 years. When I first came here we talked of millions, and then, following World War No. 1, we began to talk in terms of billions. It was necessary. Now we are rapidly approaching the point where we will have to discuss Federal finances in terms of trillions.

My friends, the time has come to stop, look, and listen. The next administration, whichever it be, will have to balance the Budget, or this country will go bankrupt, if it is not already so. When you stop to consider that the total value of the United States of America is about \$330,000,000,000, which includes everything visible and invisible, and that we are going to owe before the end of the next fiscal year \$250,000,000,000, it behooves the elected representatives of the people to stop and pause and contemplate where we are going. There is not a man or woman within the sound of my voice who wants to hand this country over to the returning veterans a wrecked country and a bankrupt Treasury. There is not a man or woman on this floor who would knowingly contribute to such an unhappy and tragic event. You and I know it is they who will have to pay the debt after having fought the war.

I say to you, Is it fair, can you justify enacting legislation here today that is going to cost—how much? No one can tell us. If we want to do a thing like this—and I hope we will not—but if the House in its wisdom decides that we should do something for the Government war workers in addition to what has already been done—and let me say parenthetically that we increased their salaries 15 percent some time back—but if we want to do something further for them, let us first find out what it is going to cost.

When you spend your own money, when you go into a store to buy a suit of clothes or an overcoat, one of the first things you ask is, "What is the price?" Are you going to have it said that you have less regard for the people's money than you have for your own? If that is to be the attitude of this body, then the Congress of the United States has indeed fallen on evil ways, and all we can do is to pray God that He will stay with us.

I shall not take much more time, except to make this proposal or to amplify what the chairman said: If you feel that we should establish these new precedents, let us first find out what it is going to

cost. In order to ascertain that cost, it will be necessary for the Committee on Ways and Means to hold hearings and to examine this proposal from all angles. Is there any man within the sound of my voice who can tell us how many it will affect? No. Is there a man within the sound of my voice who can tell us what it is going to cost? No, no; unfortunately, no.

Let it not be said that we blindly vote to spend hundreds and hundreds of millions of dollars of the taxpayers' hard-earned money without first finding out whether it is necessary; and if it be, what it is going to cost.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I regret that on such an important subject so little time is available. For this no one is to blame. It is the rule, and we have to abide by it. The fact remains that the question ought to be more thoroughly explored. You ought to know more about it before you vote.

My chairman, my very dear friend, stated that the House conferees were in a compromising mood. I dislike to dispute that, but there was no disposition to compromise. It was either take the House view or nothing, else we shall withdraw, and that is precisely what was done.

The Senate conferees generously offered a compromise by way of the Taft amendment. The Senate through its conferees was willing to recede from its original proposal. It was willing to limit the maximum total travel allowance to \$100, to restrict it to hardship cases, applying a means test, and to allow it as transportation by bus or train only to those who received when employed \$50 a week or less. Several other restrictive features were in that amendment, but the House would have nothing at all. The idea was to make provision for industrial reconversion, but to forget all about the human side of the problem.

I cannot go into detail very extensively because I want to cover specifically what the problem really is which we face. Of the three thousand and some counties in the United States, something like 300 in the industrial areas, have been the center of great industrial expansion because of the war effort. To these counties millions of men and women from the Cotton Belt and from the Corn Belt and from the rural areas have flocked for patriotic and for financial reasons. We can foresee just one thing, and that is that after the war when employment recedes there may be a large number of these men and women stranded. I want the Members who come from industrial areas to remember and to know what you are voting on. If you vote "aye" to support the motion of the chairman of the Committee on Ways and Means, you are going to shoulder upon your constituency and upon your industrial areas a responsibility which rightfully and properly belongs to the Nation. So the move is to vote against it. The situation we face might be mild as the result of stranded unemployed or it may be desperate. It is going to be acute. I predict, in the indus-

trial areas, and no area will altogether escape it. Under the Taft amendment, and Senator TAFT certainly is no radical, he intended to limit aid to those who actually are going to need the assistance. But, as I said before, the House conferees would have nothing of the kind. They chose to ignore the whole matter. The fact, Mr. Speaker, is that that problem is going to present itself and we will not be prepared to meet it. Had the Taft suggestion been accepted in conference, it would have been limited strictly to those who need it, to hardship cases, to men and women who receive \$50 or less per week. It would have relieved us of the possibilities of a nasty situation, which we contemplate. As I said at the time the bill was considered, it is going to be bad in the Corn Belt and bad in the Cotton Belt, because they are not there, and similarly it is going to be bad for us, because they are going to be stranded in these industrial areas and be on our necks. It is going to be bad for us because they are there. Now the sound, sensible solution as a part of the entire war picture, is to make provision for these people to be sent back. So the thing for you to do here now, to justify your position with your constituencies, is to make this conference committee go back to the House and Senate conference and to bring back the Senate provisions.

The SPEAKER. The time of the gentleman has expired.

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. KNUTSON. As I recall, the gentleman made identically the same argument in favor of the war displacement bill which would have provided for \$300,000,000 for unemployment benefits during the transition, and the gentleman pleaded with tears in his eyes, for favorable consideration of that provision.

Mr. DINGELL. Mr. Speaker, is the gentleman making a speech or asking a question?

Mr. KNUTSON. I am asking the gentleman, does the gentleman think the situation is any more serious now than it was then?

Mr. DINGELL. There is no relationship between the two.

I will say this to the gentleman—I have corrected him once before—I have made my plea before the committee with regard to unemployment compensation, due to the transition from peacetime to wartime production, on this basis, that the State funds, whether the State was able to bear the load or not—and I assumed that all States were able to bear it—should not be used entirely; that it was a matter that we in Michigan, the people in Ohio, and States like California and other great industrial States, were not to shoulder that responsibility, that cost, whether they were able to do so or not.

The SPEAKER. The time of the gentleman from Michigan has again expired.

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. DINGELL. I held at that time

that it was a part of the war cost; a part of the preparation; that the State funds should be reimbursed from a Federal appropriation for whatever the amount happened to be. That was my plea. Now I have explained this to the gentleman from Minnesota [Mr. KNUTSON] so many times, and seemingly he fails to understand exactly what I said.

Mr. KNUTSON. Well, unfortunately—

Mr. DINGELL. I refuse to yield, Mr. Speaker. The gentleman persists in bringing this thing up every time he gets a chance to ask a question. I hope he will understand that henceforth I am going to ask him what his question is before I agree to yield to him.

The SPEAKER. The time of the gentleman from Michigan has again expired.

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman from Minnesota [Mr. KNUTSON] 2 minutes.

Mr. KNUTSON. I think, Mr. Speaker, after the very excellent presentation by the gentleman from Michigan [Mr. DINGELL], I should be permitted at this point to read a statement that he made when the war displacement bill was before our committee, at which time he argued for setting aside \$300,000,000 in order to tide over the workers from peacetime to wartime production. These are the touching words that the gentleman indulged in at that time. I read from the record, page 425, hearings before the Committee on Ways and Means on the war displacement bill:

Mr. DINGELL. That may be, but in the meantime there is going to be a great deal of suffering and injustice, particularly in such a great locality and great State as Michigan, where the Federal Government has peremptorily and arbitrarily, under direction of Congress, ordered the automobile industry to cease operations and cease the production of automobiles and go into the production of war matériel.

Thank God the gentleman's doleful prophecies never happened.

Mr. DINGELL. That is not what you brought up here a moment ago.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Speaker, the proposition before us is a very simple one, a delightfully, deliciously, delectably, deliriously simple one. All that it provides is that when war work ceases in the United States, every war worker shall have the right to return to his home, if he is away from home, or if he is at home, to another place in the United States—all this at Uncle Sam's expense.

We do not know what this is going to cost. We do not know how many people are going to avail themselves of this privilege which, I think, should be denominated "the national joy ride," but we can estimate what it will cost Uncle Sam if everyone who is eligible avails himself of this most generous travel opportunity.

There are 22,000,000 people in the United States engaged in war work. You will all agree with me, I am quite sure, that nearly all of them will have at least

some dependents, a wife, a couple of children, perhaps, who will want to go along. Of course, they will have a little household furniture to which they have become attached to take along for comfort's sake. With an allowance of \$200 for the jobless wage earner, \$200 for his dependents, and \$200 for his household furniture, the total allowance of each worker's family might be \$600. Assuming that the 22,000,000 people would avail themselves of the privilege of going home or going some place away from home, a little quick calculation with pencil and pad will reveal that this very simple proposal of the overgenerous other body might cost Uncle Sam the tidy sum of \$13,200,000,000.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. KNUTSON. Does not the gentleman believe the bill is woefully deficient in that it does not provide for the creation of a sort of Cook's travel bureau?

Mr. GEARHART. I am not at all optimistic that that would not occur; certainly, every transportation company in the United States, the railroads, the air lines, the trucks, and the busses will be quick to sense the opportunity which this section would offer. It is not difficult to picture the mad rush of their agents, the clamor for this business which the enactment of this proposal would inspire. Cannot you hear them expanding on what a wonderful place southern California is in the winter, what a magnificent place Florida is when the snow is flying in the north? Yes; I believe we shall have a Cook's tour on a grander scale than ever before, a magnificent one, one that would defy description in any words I might choose—if this Senate provision is written in this measure.

Mr. ROWE. Mr. Speaker, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. ROWE. Do the gentleman's figures contemplate the Taft amendment or are they exclusive of that?

Mr. GEARHART. I am confining myself to a discussion of the motion that is before us, to what would happen if the House were to recede and accept the section the Senate wrote into the bill when it was before that body.

Mr. ROWE. The one that was in the original bill as it first came here?

Mr. GEARHART. The one that was in the bill when it came here.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. MILLER of Connecticut. Is that \$200 per person or \$200 per family and household goods? I understood it was not to exceed \$200 per family, including the transportation of household goods. That would not amount to more than 200 times 22,000,000.

Mr. GEARHART. If the gentleman's interpretation of the section is correct my figure must be reduced to one-third of the figure I gave—to \$4,400,000,000, still a tidy sum. The section is highly ambiguous. It lends itself readily to two

interpretations, each very different from the other.

Mr. MILLER of Connecticut. Is that the gentleman's interpretation?

Mr. GEARHART. Because I am opposed to the principle involved, I naturally interpret it so as to best illustrate the absurdity which is involved.

Mr. MILLER of Connecticut. Does it apply to every person or is it limited to hardship cases, to people who are stranded and have no money of their own?

Mr. GEARHART. There is no "needs" provision in the section; but if there were, just consider what a tremendous job it would throw on the Government. Uncle Sam would have to employ tens of thousands of investigators to ascertain whether or not each individual war worker did or did not have sufficient money of his own. That would increase the cost of this national joy ride by, perhaps, another \$13,000,000,000. Who can say how much?

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. DINGELL. I assume the gentleman from California has taken as a base for his figure the supposition that each individual employed in war work would receive \$200 for himself and \$200 for two dependents and, likewise, \$200 for his wife; is that correct?

Mr. GEARHART. That is the broad interpretation which I have given the measure. If the gentleman will read the text I am sure that he will agree that my interpretation is sound.

Mr. DINGELL. That is the only way the gentleman's figures could be reached. The gentleman knows that not everybody who has engaged in war work is going to receive this benefit. Under the Taft provision it is limited to hardship cases, and indigence would have to be proved. As a consequence, it could not amount to more than \$130,000,000 at the most.

Mr. GEARHART. The gentleman's opinions are entitled to and should at all times be accorded the highest respect of the membership, but, with all due deference, I am sure that if he will but refer to the text of the section we have under consideration, he will agree that there is no "needs" or "hardship" provision in it; that there is no limitation in amount below \$600 per man, family, and furniture.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. KNUTSON. Carrying the thought of the gentleman from Michigan just a step further, if a man lived in Pittsburgh and had engaged in war work decided he would get a job out in Los Angeles, under the Senate provision of this bill, the Government would have to provide him that transportation to Los Angeles.

Mr. GEARHART. That is precisely what I have been arguing—\$200 for the man, \$200 for his dependents, \$200 for the transportation of his household effects.

Mr. DINGELL. If the transportation were necessary and if he had been engaged in the war effort.

Mr. GEARHART. Again I repeat, there is no "needs" clause. That is what causes us the shivers out in California, the State of my birth. The distinguished senior Senator from California has oft said, and, I must confess, I agree with him, that there are only two kinds of people in the world: Those who live in California and those who want to. Frankly we are afraid that all of those who engaged in the war effort will suddenly avail themselves of this generous opportunity which the Senate would extend and, within the period of time fixed by the act, if one is fixed, rush out to California, to "crash" the Golden Gate before we can get "the old home fires" burning brightly for them.

No; we are not concerned, as the gentleman from Michigan has assumed, over our ability to absorb those who have already emigrated to the State of the Golden Bear. We are concerned with the hordes which, like an avalanche might descend upon our fertile plains, encouraged to do so by the generosity of this proposal. About California we have built no Chinese wall. The latch key of hospitality is ever out. We want everyone to come to California. Our gates are open and our hearts are big; from no one would we withhold this priceless privilege of living in this fair land. But we do not want all of you to come at once.

Mr. BRADLEY of Pennsylvania. Will the gentleman yield?

Mr. GEARHART. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY of Pennsylvania. Does the gentleman have any figures on what it is going to cost the Government for reconversion of industry and the amount of compensation that will be paid to corporations for termination of war contracts?

Mr. GEARHART. The gentleman is referring to another proposition that will come before the House after this one is disposed of.

Mr. BRADLEY of Pennsylvania. I am talking about the taxpayers.

Mr. GEARHART. Let us consider the one proposition before us. It is the great national joy ride which this measure would give legality to which now gives me concern. Forgive me if I decline to be drawn into a discussion of another subject, as the time allotted me is about to expire.

Mr. Speaker, there is a serious phase involved in this great question. There may be at some time in the unhappy future a condition of widespread unemployment. Any reasoning person who contemplates the conditions of today will agree with me, I am quite sure, that there is no immediate prospect of any such a dire calamity overtaking us. If ever so unfortunate an eventuality is to befall our country, it will not be in less than 4, 5, or 6 years from now, maybe 10 years. Experience acquired in the last war has taught us that the beginning days of reconversion are days of prosperity and plenty of jobs rather than of depression and unemployment. In view of this patent fact, is not this action premature? Should we endeavor to legislate upon this subject at the present time? If at some

time in the distant future, not when the war in Europe has ended in victory for our arms, but long after the last shell has been fired in the Far East, a condition should arise that requires legislative treatment, this Congress, on call of the President if we are in recess or, upon our own motion if we are in session, can then meet and find the answer to the problems of that day. Manifestly we should not endeavor to blindly legislate for the yet unrevealed future. Unless there is one amongst us who is a prophet, a seer, or a seventh son of a seventh son who can determine precisely in advance that which the future is to unfold, we should leave the problems of the future for the future to solve as we leave to the past the burying of its dead.

The SPEAKER. The time of the gentleman has expired.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I have a great deal of respect for my colleagues on the conference committee who take the position that they do, which, in my opinion, is that this Congress should do nothing whatsoever at this time to cushion the shock which will immediately occur when the shooting stops. If anybody will deny the fact that there will be inevitably mass unemployment when that happens, I would like to know on what basis they make such contention. It seems to me, Mr. Speaker, that these gentlemen fail to realize the magnitude of the shock that is going to occur in this country. It seems to me they are only considering this matter from the standpoint of cost. They are failing to look forward to the future with any vision. They are failing to attack the problem now because it requires a little bit of courage.

Mr. Speaker, we can do something at this time in a practical way to cushion that shock which everybody realizes must come. It has been said here this morning that this travel allowance is a departure, something different, something entirely new. From time immemorial that has been the stock answer, that is the usual phraseology and attitude of those who are always against something progressive, who are always questioning the wisdom of any suggestion that leans toward liberalism. I also submit, Mr. Speaker, that the cost is not the only angle to be taken into consideration.

I call your attention to the fact that every person who appeared before the Ways and Means Committee favored this proposition of allowing travel pay.

If we are to disregard the recommendations of every person studying this subject, then the Congress is going along in a bullheaded way. Mr. Speaker, it will be said of this Congress that when it came to passing legislation to take care of the post-war readjustment and the reconversion period, that it failed; that it only considered things which were relatively unimportant. Take the matter of cost, Mr. Speaker. It will cost many, many times as much if we allow these dislocated war workers to remain in congested areas and allow slum conditions to arise. It will create addi-

tional crime problems. It will cause a depletion of labor in the sections of the country where it is most needed, such as the farm sections and in the Cotton Belt. The dislocation of available employees will be great. This is a subject that we failed to take care of after the last war, and look what we faced. Are we going to say now, "Yes, we will do no more until we are overwhelmed with demands that will come down upon us and descend upon this Capitol"? That will cost many, many more times as much. Mr. Speaker, I submit that this travel allowance will not of itself cushion the shock entirely. It will help just in a small way, in the same way that the payment of larger amounts of unemployment compensation will help. It is not an over-all proposition.

The other body is not composed of a radical membership that is insisting on something which is altogether insensible and has no logic to it. I think we ought to consider this proposal with favor, especially in view of the fact that the gentleman from Michigan [Mr. DINGELL] said the Senate conferees are willing to compromise. They are willing to throw more restrictions around it. They are willing to cut down the amount. Mr. Speaker, I submit that the Economic Stabilization Director, or whoever is in charge of this program, is not going to throw away the funds of the United States of America. He is only going to take care of the hardship cases. He is not going to squander our money. We must give him a little discretion, a little leeway.

I submit, Mr. Speaker, that we ought to look forward a little bit and not just say, "Well, we do not know how much it is going to cost." Mr. Speaker, I hope that the motion of the gentleman from North Carolina is voted down.

Mr. DOUGHTON. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, I would like to say something about the legislative situation which confronts us. If we support the motion of the chairman of the Committee on Ways and Means we are closing the door to any compromise between the House and the Senate. On the other hand if the motion which now is presented to us is defeated, a compromise is still possible.

I was impressed by the statement of the gentleman from Michigan that the Senate was willing partially to recede from its position and to adopt the amendment which was suggested by Senator TAFT. That amendment, it seems to me, throws all the safeguards possible around the giving of travel allowance and at the same time takes care of situations which are undoubtedly going to exist in several large industrial areas after the war is over. Senator TAFT's amendment would reduce the amount of allowance from two to one hundred dollars, and would confine payments to those industrial workers who had earned less than \$50 per week, and who were actually indigent. Some people say that we are not going to have any unemployment after the war, that we are going to have prosperity. I believe that we are going

to have prosperity in certain districts in certain types of industry, but who is there in this House that can say when we stop the manufacture of aircraft and stop the building of ships both of which we have been building in such great abundance that we are not going to have localized areas where we are going to have widespread unemployment. We are going to have unemployed workers in these areas, some of whom I admit have been making good money, but some of whom have not been making a great amount of money—if their living expenses be considered—who will be stranded, who will be left as a burden upon the industrial and the economic structure of the communities in question.

I read in the paper the other day that the Governor of California had expressed considerable concern over the Federal employees who were going to be left there after some of the plants are shut down and had recommended in a statement to the papers that Federal employees be included in the unemployment compensation provisions. Of course, that is the other motion we are going to dispose of today, and I am in agreement upon it with Governor Warren. But another way of alleviating the very same situation which addressed itself to the concern of the Governor of California is to give a reasonable allowance to the people who need it to get back home or to get another job.

Mr. DOUGHTON. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Speaker, I judge from the remarks made by those preceding me that the fundamental idea involved in this issue is that if provision is not made for the return of persons employed in war industry, it will create increased or enlarged social problems in those communities.

I am wondering whether it would not be easier and better to take care of these social problems in the highly industrial areas rather than send these transient individuals back home and into communities which have not had an opportunity to enjoy the privileges and profits derived from these great industrial enterprises.

It may be a question of mathematical computation as to whether city A or community A, for example, is better able financially to handle its social problems following this great era of prosperity where everybody has prospered than in community B, or some other community where they have not had an opportunity to increase or enlarge their financial resources and are, therefore, not able to properly take care of their own social problems without having to be burdened further with those who return to their bona fide homes but possibly with hundreds or thousands of other people foreign to the community who may be merely prospecting for new opportunities and feeling that upon failure to find them the Federal Government will take care of them in some way.

There is a great deal more involved in this motion than merely paying the transportation of war workers back to their homes. The provision in the Sen-

ate bill not only provides for the return of workers to their bona fide residence but provides for paying travel expenses "to any other location of new employment arranged by the worker" and "at the election of such worker." This quotation is from page 14, lines 13, 14, and 15 of the Senate bill.

It has been suggested by the gentleman from Pennsylvania [Mr. EBERHARTER] that a large percentage of the people will be needed in the cottonfields of the South. That may be true, but I can see the possibility of the surplus labor problem in the South becoming greater than the problem of labor scarcity. I know we are greatly in need of additional labor in my State, but I am not certain but what we will be better able to solve the problem with a normal return of native labor than to let down the bars by giving the Employment Service the right to flood the country with a great horde of people who do not know a stalk of cotton from an okra plant and know little or nothing about growing cotton, and when this is found out they will become easy competitors with native labor in our textile plants.

You would, therefore, not only increase the social problems and the ability to take care of those problems in communities where they are less able to do it by agreeing to the Senate bill, but we may create a much larger problem. Some here do not seem to consider the responsibility and the capacity of others. The thing they want to do is relieve themselves of this problem after these 3 years of unprecedented production, unprecedented prosperity, and unprecedented accumulation of profits.

Mr. DOUGHTON. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, in my district one war plant has increased in number of employees from 2,500 to 65,000 since this war started. I am sure I cannot tell you how all of these people are going to get back to the various places from whence they came. They came at the instance of the War Manpower Commission and the advertising of these concerns who advertised all over the United States seeking employees, and upon the urging of the U. S. E. S. Some of them may have had their fares paid by a war contractor, as I know was the rule in transporting workers from the East to the Kaiser shipyards in Bremerton, Wash. Many of them traveled on their own tires and thousands hitch-hiked or "rode the rods." Even now the Boeing Co. in Seattle is advertising for workers in my district in southern California.

I do not know where they got the money to get to California in the first place, from Texas, from Louisiana, from Oklahoma, Iowa, Wisconsin, and all of the other points of the Middle West and even from as far east as Georgia. Some fair means should be supplied so that if they are stranded on the west coast they can get home again at war's end. If a fair alternate proposal has been made by Senator TAFT, as has been said here, then I think we should have an opportunity to consider that proposal in this body.

I cannot vote to agree with the Senate provision for travel pay as it is far too loosely drafted. No one here can tell from the language in the Senate bill who may or may not be included. I think some provision of travel allowance should be made for those whose fares were paid from home to distant places of employment by war contractors who sought their services. If the United States Employment Service assisted, then the U. S. E. S. should get them home again. For distress cases likewise provision should be made. There is no reason why stranded ex-war workers should become a burden upon my county or State. Their case is a Federal Government problem. In my mind these matters have been inadequately considered. I shall therefore vote to further disagree with the Senate provision in hope that a fair compromise may be reached.

Mr. Speaker, the Governor of California, Hon. Earl Warren, has addressed a letter to me on the subject of unemployment compensation provision for Government employees which I include at this point:

STATE OF CALIFORNIA,
GOVERNOR'S OFFICE,
Sacramento, September 6, 1944.
HON. CARL HINSHAW,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: The provision of some form of unemployment compensation for Federal employees is a matter of unusual interest to the State of California. Federal employment on war activities in this State has represented almost 10 percent of our total employment at times during the war years.

We must anticipate the eventual possibility of large-scale unemployment of such workers. While they will not constitute a liability on our State unemployment compensation fund, their unemployment without compensation will create a serious problem. Its magnitude will be sufficient to affect seriously the economic situation in the State.

While many of these Federal employees have accumulated deferred annual leave, and some of them will be entitled to refunds of their contributions to the retirement fund, such benefits do not serve the same purpose as unemployment compensation.

Your consideration is respectfully invited to the importance of the final retention in Senate bill No. 2051 of some form of equitable provision for unemployment compensation for Federal employees.

Sincerely,

EARL WARREN, Governor.

Concerning the Federal employees, in California there are 280,000 of them, which is 10,000 more than there are right here in Washington, D. C. Two hundred and twenty-two thousand of those employees are what are known as war-service temporaries. I say 222,000; there are that many working in the War and Navy Departments alone. They are all contributing 5 percent of their salaries to a retirement fund. It seems to me that the Committee on Ways and Means might very well consider allowing them the right to transfer some part of that amount of money which has been set aside for retirement to unemployment benefits as their contribution toward unemployment benefits, if they see fit, or to give it to them outright in cash, as they are entitled and at their option

when they are released. At all events, no one can know whether there will be unemployment, nor how much unemployment there will be, if there is any. We have many Government war-service temporary employees in my State and in my congressional district, literally thousands upon thousands of them citizens of your districts, gentlemen, and they are entitled to your consideration.

Mr. DOUGHTON. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, the choice before the House is whether it shall vote up or down the motion to insist upon the position of the House. I happen to believe that a provision with regard to this matter similar to that which has been described as the Taft amendment is the right kind of provision rather than the present Senate language. What I want is a possibility of the United States Employment Service having the means, in an orderly fashion, of shifting people who become unemployed in an area where they have gone for the purpose of doing war work, to another place where employment is actually available for them. I think we need such a provision as part of the machinery of reconversion. In order for the Taft amendment, or any similar provision, to be considered at all it is necessary that we vote down the motion to insist upon the position of the House, which is a flat insistence that there should be no provision on this matter at all. It is with that position in my mind that I shall vote against the motion to insist upon the position of the House. This is a national problem, as I view it, and not a matter of entitlement of the individual at all. We need an element in our reconversion program so that we will not have concentrations of large numbers of unemployed people in one place, unable in certain instances to move to another place when there is a need for workers in those other sections. That is the problem which I would like to see dealt with. If the House position is sustained, that problem will be dodged instead.

Mr. DOUGHTON. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, it might be well to have a look at the Republican platform and see how the Republicans in Chicago, in writing that platform, threw their arms literally around labor and told labor how much they loved it. Now are these assertions in the Republican platform to be mere pious platitudes and pontifical nothings? It would seem so from the speeches made on the Republican side of this Chamber.

Mr. Dewey tonight will address the Nation over the radio on the subject of labor. He will tell us how much he loves labor. Yet I challenge Mr. Dewey, the leader of the Republican Party, to say that he will refuse the granting of transportation to indigent war workers and their families, either to their homes or to another job. I challenge Dewey tonight, likewise, to say that he will refuse compensation to Federal workers who are thrown out of employment as

the result of cut-backs and the cessation of war's exigencies. Mr. Dewey dare not say what you Republicans today are doing by your reactionary votes and observations.

We have an anomalous situation here. Dewey will say lovely things, but his honeyed words will be soured and nullified by what those on the Republican side of the aisle will do today. Thus the Republican Party like Janus would face in two directions.

As for my colleagues on the Democratic side, all I can say is, if they vote for the proposal of the distinguished chairman of the Ways and Means Committee, they are enthusiastically misguided. As for them, the chickens will eventually come home to roost.

The human element, as far as I can see that element in the Ways and Means Committee motion, is utterly and totally obliterated. Those who voted for the George bill, as brought up by the Ways and Means Committee, and as finally adopted by this House, only kept their eye on the property rights. Property rights were protected. The financial situation was thoroughly canvassed, and those financially interested in war contracts were properly protected, but the laboring man and the laboring woman were shunted aside and given the least possible consideration. In contract termination, surplus property legislation and in all reconversion bills we take care of the man with the money, but we do not give a tinker's dam, apparently, for the working man and woman.

I say this, I have said it before and I repeat it, the C. I. O., the A. F. of L., and the railroad brotherhoods at last got together and agreed upon a bill, the so-called Dingell bill. The C. I. O., the railroad brotherhoods, and the A. F. of L. want you ladies and gentlemen to vote down the proposal of the Ways and Means Committee that is offered to you today. It runs counter to the Dingell bill. They want justice to the Federal worker. They want justice to the civilian war worker so that he may go to his home and go to a new job.

The gentleman from North Carolina, the distinguished chairman of the Ways and Means Committee [Mr. DOUGHTON], says that the term "war work" or "work essential to the war," is too indefinite and therefore to attempt to give transportation costs home or to another job to the war worker involves impossible interpretations.

My answer is that the terms "war work" and "work essential to the war" have been definitely interpreted. The War Production Board in granting priorities had to wrestle with that terminology and they have specific regulations as to what is or is not war work or work essential to the war. Likewise, the O. P. A. has specific regulations with reference to these terms. The Foreign Economic Administration permits imports and exports in accordance with such terminology. The Office of Strategic Services has determined those terms with minute detail. They have to designate what is or what is not "strategic material." To determine "strategic material," they define "war work"

and "war material." Likewise the Selective Service and the War Manpower Commission, and numerous other war agencies have their regulations concerning these terms. I think the distinguished chairman of the Ways and Means Committee is looking for ghosts under the bed.

My gallant friend the gentleman from Minnesota [Mr. KNUTSON] is worried about our war debt. I am not worried about it. It has reached great magnitude. But, our war effort has reached great magnitude. That huge debt is due to the war. But, there are some things that cannot be helped, cannot be avoided. He says we will soon be figuring the Federal budget in trillions. What would he have us do? Go back to horse and buggy days? "Time marches on." The country marches on. The United States will not stop because of the worries of the gentleman from Minnesota. That gentleman wants a status quo forever. In Washington's time our national debt was figured in the thousands. In Lincoln's time, it was figured in the millions. Now it must of necessity be figured in billions. That cannot be helped. We are growing in many ways, in production, purchasing power, and so forth.

With the Lilliputian concept of the gentleman from Minnesota we could not have beaten the Nazis. We had to widen our vision. We had to widen our international concepts. We had to enlarge our military outlook, all of which necessitated the widening of our national debt.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. KNUTSON. Will the gentleman yield? Is the gentleman speaking for Sidney Hillman?

The SPEAKER. The gentleman cannot yield because his time has expired.

Mr. KNUTSON. I am sorry. I did not hear the Speaker.

Mr. DOUGHTON. Mr. Speaker, I yield the balance of my time to the gentleman from Tennessee [Mr. COOPER].

(Mr. COOPER asked and was granted permission to revise and extend his remarks.)

Mr. COOPER. Mr. Speaker, in the very brief time remaining I simply want to invite attention to the language in this bill upon which you are called to vote. That is the important thing to bear in mind. We have heard much discussion, a great deal of it not bearing on the question under consideration at all.

On page 14, I invite your attention to these 14 lines, which is the thing upon which you will have to vote. The gentleman from North Carolina [Mr. DOUGHTON] has made a motion that the House conferees be directed to further insist on disagreement to this provision.

Page 16, line 7:

SEC. 303. The Administrator shall have power to provide transportation, including transportation of dependents and household effects for civilian workers who have been employed in activities essential to the war effort, from the place of such employment to the location of their bona fide residence within the continental United States prior to their migration to war employment, or, at the election of such worker, to any other location of new employment arranged by the worker: *Provided*, That the cost of such transportation shall not exceed \$200 for any

one worker, his dependents, and household effects, and shall not exceed the amount allowable for civilian employees of the several departments and independent establishments of the Federal Government in the Standard Government Travel Regulations.

That provision is as wide open as a bootjack. There is no way in the world to tell how much a thing like that will cost. Civilian workers could include almost everybody except those in the armed forces. It could include people of wealth and independent means; they would be entitled to qualify for this transportation pay; those who have been employed. How long? A month, a week, a day, or an hour? Just so they have been employed.

Certainly the motion of the gentleman from North Carolina should be sustained, and the position of your House conferees should be supported.

The SPEAKER. The time of the gentleman from Tennessee has expired; all time has expired.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from North Carolina.

Mr. DINGELL. Mr. Speaker, on that, I demand the yeas and nays.

Mr. DOUGHTON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll, and there were—yeas 239, nays 90, answered "Present" 0, not voting 103, as follows:

[Roll No. 112]

YEAS—239

Abernethy	Cravens	Hare
Allen, Ill.	Crawford	Harness, Ind.
Allen, La.	Cunningham	Harris, Ark.
Andersen,	D'Alesandro	Hébert
H. Carl	Davis	Heidinger
Andresen,	Dilweg	Herter
August H.	Dirksen	Hess
Andrews, Ala.	Disney	Hill
Andrews, N. Y.	Dondero	Hinshaw
Arends	Doughton	Hobbs
Arnold	Drewry	Hoffman
Auchincloss	Durham	Holmes, Mass.
Baldwin, Md.	Dworshak	Hope
Baldwin, N. Y.	Eaton	Jarman
Barden	Ellis	Jeffrey
Barrett	Elston, Ohio	Jenkins
Bates, Mass.	Engel, Mich.	Jennings
Beall	Fellows	Jensen
Beckworth	Fenton	Johnson,
Bishop	Fernandez	Anton J.
Bland	Fish	Johnson,
Bonner	Folger	Calvin D.
Boren	Fuller	Johnson, Ind.
Brown, Ga.	Fulmer	Johnson,
Brown, Ohio	Gamble	Luther A.
Brumbaugh	Gathings	Johnson,
Bryson	Gavin	Lyndon B.
Buck	Gearhart	Johnson, Okla.
Bulwinkle	Gerlach	Jones
Burch, Va.	Gillespie	Jonkman
Butler	Gillette	Kean
Camp	Gillie	Kearney
Canfield	Goodwin	Keefe
Cannon, Fla.	Gore	Kerr
Carlson, Kans.	Gossett	Kilburn
Carson, Ohio	Graham	Kilday
Chapman	Grant, Ala.	Kinzer
Chenoweth	Grant, Ind.	Kleberg
Chiperfield	Gregory	Knutson
Church	Griffiths	Landis
Clevenger	Gross	Lanham
Cole, Mo.	Gwynne	Larcade
Cole, N. Y.	Hale	LeFevre
Colmer	Hall,	McConnell
Compton	Edwin Arthur	McCowan
Cooley	Hall,	McGehee
Cooper	Leonard W.	McGregor
Costello	Halleck	McMillan, S. C.
Cox	Hancock	McMillen, Ill.

McWilliams
Maas
Mahon
Maloney
Manasco
Mansfield,
Mont.
Mansfield, Tex.
Martin, Iowa
Martin, Mass.
Nason
May
Merrow
Michener
Miller, Nebr.
Miller, Pa.
Mills
Monkiewicz
Monroney
Morrison, N. C.
Mott
Murray, Tenn.
Murray, Wis.
Newsome
O'Hara
O'Konski
Pace
Patton
Peterson, Ga.
Pittenger
Plumley
Powers
Pracht
C. Frederick

Pratt,
Joseph M.
Price
Priest
Randolph
Rankin
Reed, Ill.
Reed, N. Y.
Rees, Kans.
Rivers
Robertson
Rockwell
Rodgers, Pa.
Rohrbough
Sasser
Satterfield
Schiffer
Scott
Scrivner
Shafer
Short
Simpson, Ill.
Simpson, Pa.
Smith, Ohio
Smith, Va.
Smith, Wis.
Sparkman
Springer
Stanley
Starnes, Ala.
Stewart
Stigler
Sumner, Ill.
Sumners, Tex.

Sundstrom
Taber
Talbot
Talle
Tarver
Taylor
Thomas, N. J.
Thomas, Tex.
Thomason
Tibbott
Towe
Troutman
Vincent, Ky.
Vorys, Ohio
Vursell
Ward
Welchel, Ohio
West
Welchel, Ga.
White
Whitten
Whittington
Wickersham
Wigglesworth
Wilson
Winstead
Winter
Wolcott
Wolfenden, Pa.
Woodruff, Mich.
Woodrum, Va.
Worley
Zimmerman

NAYS—90

Anderson, Calif.
Anderson,
N. Mex.
Angell
Bender
Bloom
Bradley, Pa.
Buckley
Burchill, N. Y.
Burdick
Byrne
Cannon, Mo.
Celler
Cochran
Coffee
Cresser
Curley
Dawson
Day
Delaney
Dingell
Eberhart
Ellison, Md.
Feighan
Flannagan
Fogarty
Forand
Gordon
Gorski
Green
Harless, Ariz.

NOT VOTING—102

Barry
Bates, Ky.
Bell
Bennett, Mich.
Bennett, Mo.
Blackney
Bolton
Boykin
Bradley, Mich.
Brehm
Brooks
Burgin
Buffett
Busbey
Capozzoli
Carrier
Carter
Case
Clark
Clason
Courtney
Curtis
Dewey
Dickstein
Dies
Douglas
Elliott
Ellsworth
Elmer
Engle, Calif.
Fay
Fisher
Fitzpatrick
Ford
Fulbright

Hart
Heffernan
Hoch
Hull
Johnson,
J. Leroy
Kee
Kefauver
Kelley
Keogh
Kirwan
LaFollette
Lane
Lea
Lesinski
Lewis
Luce
Ludlow
Lynch
McCormack
McMurray
Madden
Magnuson
Marcantonio
Merritt
Miller, Conn.
Mruk
Murdock
Murphy
Myers
Norman
Furlong
Gale
Gallagher
Gibson
Gifford
Gilchrist
Granger
Hagen
Harris, Va.
Hartley
Hays
Hendricks
Howell
Hoeven
Holifield
Holmes, Wash.
Horan
Izac
Jackson
Johnson, Ward
Judd
Kennedy
King
Klein
Kunkel
Lambertson
LeCompte
Lemke
McCord
McKenzie
McLean
Miller, Mo.
Morrison, La.
Mundt
Norrell

Norton
O'Brien, Ill.
O'Brien, Mich.
O'Toole
Outland
Peterson, Fla.
Pfeifer
Philbin
Rabaut
Ramey
Ramspeck
Robinson, Utah
Rolph
Rooney
Rowan
Rowe
Sadowski
Scanlon
Sheridan
Smith, Maine
Snyder
Somers, N. Y.
Spence
Stearns, N. H.
Torrens
Voorhis, Calif.
Walter
Wene
Wolverton, N. J.
Wright

The Clerk announced the following pairs:

On this vote:

Mr. Floeser for, with Mr. Morrison of Louisiana against.
Mr. Hoeven for, with Mr. Paulson against.
Mr. Miller of Missouri for, with Mr. Tolan against.
Mr. Wadsworth for, with Mr. Lemke against.
Mr. Elmer for, with Mr. Sabath against.
Mr. Wasielewski for, with Mr. Dickstein against.
Mr. Vinson of Georgia for, with Mr. Klein against.
Mr. Schwabe for, with Mr. Hollifield against.
Mr. Dewey for, with Mr. Izac against.
Mr. Stevenson for, with Mr. Barry against.
Mr. Fulbright for, with Mr. Sauthoff against.
Mr. Norrell for, with Mr. Weiss against.
Mr. Bennett of Missouri for, with Mr. Ford against.
Mr. Bradley of Michigan for, with Mr. Granger against.
Mr. Courtney for, with Mr. Capozzoli against.
Mr. Curtis for, with Mr. Fay against.

General pairs:

Until further notice:

Mr. Richards with Mr. Stefan.
Mr. Sheppard with Mr. Douglas.
Mr. Kennedy with Mrs. Bolton.
Mr. Slaughter with Mr. Willey.
Mr. Weaver with Mr. Brehm.
Mr. Hendricks with Mr. Horan.
Mr. Engle of California with Mr. Phillips.
Mr. McCord with Mr. Holmes of Washington.
Mr. Smith of West Virginia with Mr. Stockman.
Mr. Bell with Mr. O'Brien of New York.
Mr. O'Neal with Mr. Carrier.
Mr. Sullivan with Mr. LeCompte.
Mr. Poage with Mr. Kunkel.
Mr. Sikes with Mr. Judd.
Mr. Gibson with Mr. Ward Johnson.
Mr. McKenzie with Mr. Gifford.
Mr. Fitzpatrick with Mr. Ellsworth.
Mr. Clark with Mr. Reece of Tennessee.
Mr. Fisher with Mr. Mundt.
Mr. Hays with Mr. Robison of Kentucky.
Mr. Burgin with Mr. Welch.
Mr. Elliott with Mr. Rizley.
Mr. Boykin with Mr. Hartley.
Mr. Russell with Mr. Gale.
Mr. Bates of Kentucky with Mr. Clason.
Mr. King with Mr. Blackney.
Mr. Brooks with Mr. Busby.

Mr. BENDER changed his vote from yea to nay.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DOUGHTON. Mr. Speaker, pursuant to the action taken by the House on Wednesday last, I send to the Clerk's desk the following motion.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. DOUGHTON moves to instruct the managers on the part of the House in the conference on the disagreeing votes of the two Houses on the bill (S. 2051) entitled "An act to amend the Social Security Act, as amended, to provide a National program for war mobilization and reconversion, and for other purposes," to insist on their disagreement to section 403 of said Senate bill relating to unemployment compensation for Federal employees.

The SPEAKER. The gentleman from North Carolina [Mr. DOUGHTON] is recognized.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Speaker, I think we should clearly have before us just exactly what is involved in the present motion of the distinguished gentleman from North Carolina, chairman of the Committee on Ways and Means.

In talking with many Members of the House there appears to be a good deal of misapprehension as to just what is involved. May I say, however, that if the motion of the gentleman from North Carolina is voted down that will be an instruction to the House conferees to include unemployment compensation coverage for Federal employees for a period not to exceed 2 years. This proposal does not mean the establishment of a Federal system of unemployment compensation, it means simply that the emergency employees of the Government shall be given the benefits of unemployment compensation to be administered pursuant to the laws of the State in which the service rendered by that Federal employee took place; in other words, when a person left my State and went down to work in a shipyard in Alabama he left a covered employment where had he remained working for the Allis-Chalmers Co. and cessation of employment had thrown him out of a job he would have been paid unemployment compensation by the laws of the State of Wisconsin. When he went to work for this shipyard in Alabama in response to the patriotic impulse which he had and he is thrown out of a job working for the Federal Government he does not have the benefit of unemployment compensation.

All this proposal involves is this, it says to that shipyard worker: "We will pay you unemployment compensation the same as the employees in the State of Alabama who are working for private industry the same amount of unemployment compensation per week, the duration of the unemployment compensation payments to be as provided by Alabama law."

What is this going to cost? my friend from Kansas asks. Who can say what it is going to cost? Who can say how much unemployment there is going to be?

Let us not be deceived by any grotesque figures. Assuming there are 3,000,000 Federal employees, and that they all go out on unemployment compensation, the most that any one of them could draw in any one year would be the average throughout the States, which is less than \$20, for a duration of 20 weeks, less than the average. Twenty weeks at \$20 is \$400 apiece. That is the most any one could draw in any one year. If 3,000,000 of them went on unemployment compensation, if you can conceive of anything that absurd taking place, the cost would be \$1,200,000,000 per year, and for the 2-year period \$2,400,000,000. I do not believe there is a person in this room who can conceive of any such ridiculous, grotesque thing taking place as to have

So the motion was agreed to.

3,000,000 Federal employees go off the Federal pay roll.

The best evidence we have been able to obtain is that the maximum would not be in excess of 1,000,000. If this be true it would cost \$400,000,000 a year, assuming that the million Federal employees were unable to secure employment and that each one received the maximum benefit for the maximum duration of 20 weeks each. Mr. Speaker, I cannot conceive that even that situation can possibly be brought about. I do not think we are going to have that unemployment in the post-war period. A person must report for a job to the U. S. E. S. and must respond to an employment opportunity. The employment compensation is cut off when they fail to respond to an employment opportunity.

THE SPEAKER. The time of the gentleman has expired.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. MILLS].

[Mr. MILLS addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, this second motion really is the most important thing that we have to consider today, and I trust that it will be overwhelmingly defeated.

The unemployment compensation question which is before us at the present time is unanswerable as Senator GEORGE of Georgia stated. There has been no argument offered that adequately combats the presentation of Senator GEORGE's statement. Take an employee in his own State of Georgia working in a Government arsenal or shipyard performing some kind of work, and for less money, in many instances, than the employee who is engaged in war work in a similar shipyard under private ownership. The employee in the federally owned shipyard, when his work is terminated and he becomes unemployed, is just out and will receive no benefits. The employee in the privately owned shipyard will receive the unemployment compensation benefits according to State law.

It is just all wrong, it is without any justification, and I do not see how anybody in this House can voice approval of such discriminatory treatment under the circumstances.

The fact of the matter is that in the privately owned shipyard the contractor pays into the Federal Treasury 3 percent of the wages or salaries paid to the employees, out of which, of course, the unemployment benefits are then paid. In the Government-owned shipyard no tax has been levied nor any amount in lieu of tax, has been collected and therefore it is argued now that these men and women when so employed are entitled to no benefits. That holds good whether it is in Georgia or New York State or California or the State of my friend from Wisconsin, in the shipbuilding industry there, or in my own

State. Whether it is in an arsenal or in a shipyard or any other plant, the discrimination is clearly against the worker who is on the Federal pay roll, and it was never so intended. Congress was derelict, it was not farsighted enough to make proper provision for all employees. Therefore, they are to be left out in the cold. But it is possible to remedy this discrimination at this time.

The question will be asked. How much is it going to cost? According to the statistical department of the Social Security Board, it will cost far less than the amount which would have gone into the Treasury had we treated the employer and the employee in Government shipyards in a way similar to their treatment in private industry.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield

Mr. DINGELL. I yield to the distinguished gentleman from Georgia.

Mr. RAMSPECK. I want to give the gentleman an illustration in my own State which I think is even stronger than the one he gave the House. In Macon, Ga., in the district of the gentleman from Georgia [Mr. VINSON] the Navy has an installation operated under a fixed-fee contract by the Reynolds Metals Co. The Army has an installation operated directly by the Government. In the Army installation the employees are not covered, but in the Navy installation they are covered, and the Navy pays for it through the Reynolds Metals Co. How can the gentleman justify that?

Mr. DINGELL. That is correct. More than that, while there is a maximum possible of 3,500,000 persons who might be covered by the terms of the Senate bill, the fact of the matter is that not more than 2,000,000 of them, the maximum possible according to the figures of Senator GEORGE, would receive any benefits. I say that is the maximum possible, but it will likely be less than that.

To give you some idea of how adamant were our House conferees, it was 6 to 1 throughout, and no compromise. The Senate conferees, again, were willing to compromise, and here is how far they were willing to go. In lieu of any unemployment compensation which might be paid to Federal employees, it was sought to provide a severance-of-pay allowance. It started with 30 days' pay, and then it was thought that perhaps 21 days or even 15 days would be advisable. We spoke of possibly limiting it to employees receiving \$2,000 or less per annum. If the total number of employees who would receive severance-of-pay benefits for 15 days at \$5 a day, or \$75, were 1,000,000, that would be \$75,000,000, and for 2,000,000 it would be \$150,000,000 at the very most.

I am assured that the higher rate of unemployment compensation which would be applicable under the original Senate provisions would be less than the amount of tax money which should have been levied on the salaries of that same class of employees. If you were to apply a severance-pay provision to these people, the Federal Government then would be far ahead of the deal. But the House

conferees were absolutely determined that under no circumstances would this matter be considered. Now let us not be kidded about these provisions being taken care of sometime in the future, because it will be difficult to get at the problem at any time. I do not know just when we are going to be able to get at the question of considering social-security amendments. Some of us have been talking about that for the last 2 or 3 years. The committee has been swamped with work and has been unable to get at it. This is an emergency. It is necessary to make some immediate provisions. This will not wait for somebody's proposal in the future. It ought to be tackled now for the reason that any other proposal will not touch the problem when it arises. Undoubtedly proposals will be made here that these people can get this money out of their accumulated leaves, and the like. I want to say to you, from the best information we had before the committee, that it will take anywhere from 2 months to a year before such a thing could be put through, before the money would be available to these employees. And by that time they may not need it. Besides, remember this, you would be giving them nothing except their own money and taking it out of their own fund.

THE SPEAKER. The time of the gentleman has expired.

Mr. DOUGHTON. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I think it is fair that we should try to look at this whole picture as we come to a vote on this situation. For my own part I shall support the motion made by the chairman of the committee. I cannot take what seems to me to be a defeatist position. I believe I know and we all know that there is going to be plenty of work when this war is over. Most of these Federal employees are going to be let out very gradually. Most of them are going to be let out in that way because the war with Japan, unquestionably, will last a very considerable time longer than the war in Europe. They are going to be let out in accordance generally with rules of seniority and those who are let out last will be those who have worked the longest. They have a great many privileges, that is, those who work directly for the Government, which are greater and larger than those privileges which the ones who are working on war work for private industry will receive.

In most places they receive higher pay. In a great many cases they are women who have never worked before and never expect to work again after the war contribution they are making is over.

Mr. KEEFE. Mr. Speaker, will the gentleman yield at that point?

Mr. TABER. Not at this time. I will yield later.

A great many of them intend to go back home just as soon as this thing is over. Most of them are receiving more money than they ever received before. Most of them are being thrifty and are saving the money. All of them are contributing to the Federal retirement

proposition on the basis of 5 percent of their salary. Now, just how does that compare with the contributions that are made with reference to those who are in private industry? It means that they are contributing 5 percent against 1 percent that is being contributed by those in private industry. They would receive larger retirement if they continued on the Federal pay roll to the end. When they are discharged they will receive their accumulated payments to the retirement fund, plus 4 percent interest from the date of withholding. Five hundred and seventy-four thousand of those people have already received those payments. Those who would receive smaller payments because of short periods of employment, have pretty well received theirs. Those who will be paid from this time on will receive larger sums.

If a man had worked a year at a salary of \$2,000, he would receive \$200, plus \$4 interest. If he had worked 2 years he would receive \$400, plus \$8 interest. Where they have been working at one job in one place for one department, and that is what the picture is in most cases, those items would be more than the regular unemployment insurance. It would be enough to tide those people over until they moved back into regular work.

In my opinion if we put people on unemployment insurance where it is not necessary, instead of promoting reconversion you make this bill an antireconversion bill, and a bill designed to prevent reconversion by preventing the people from going to work, because there are a lot of them who will not go to work if they get this unemployment insurance.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. KEEFE. Is it not a fact that under every State law in this Union, a person to be entitled to unemployment compensation, must register at the employment office and continue to report at least once a week in most States and once in 2 weeks in other States, and any person who refuses to accept a job tendered by the employment office is immediately severed from the unemployment compensation rolls?

Mr. TABER. That is not the rule. That is not what they do. I have had people working for me solicited by this outfit to go on unemployment insurance and stay on when they were actually working and had a job. I know how that thing works. I cannot be fooled by it, because I have been up against it and have had experience. I do not want to get into a controversy with the gentleman but when I know what has happened and when I have had it happen to me, with this outfit going out soliciting people to go on unemployment insurance, I cannot let it go without calling it to the attention of the House.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. CRAWFORD. The gentleman has developed a very important point in my estimation. Do I understand that where

a mechanic in Milwaukee, for instance, goes to Mobile, Ala., leaves a private industry job in Milwaukee and goes into a Government-owned shipping institution at Mobile, that when that worker goes on the Mobile pay roll he begins to put up 5 percent of his salary?

Mr. TABER. The minute he goes on the Federal pay roll.

Mr. CRAWFORD. And the gentleman from Milwaukee would stand here and have us go directly to the Treasury for specific grants to give that employee who receives a higher pay in Mobile—I do not think there is any question about that at all—and who has been setting aside 5 percent, and whose wages and salaries were made sufficiently high to enable him to do that considering his dislocation, considering his increased cost of living. The gentleman from Wisconsin would have us now go to the Treasury and make direct grants to pay that fellow another premium when under the War Manpower Commission ruling a man who goes from a private industrial pay roll to a farm in connection with the production of food gets no benefit whatever.

Mr. TABER. That is correct.

Mr. CRAWFORD. Are we to stand here and justify that discrimination? If we give it to one should we not give it to the other?

Mr. TABER. Certainly it would be discrimination, discrimination in favor of the Federal employee.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Confirming what the gentleman said a few moments ago, I read from hearings held by the Senate Committee on Post-War Economic Policy and Planning testimony given by Mr. Williams, the head of the Texas Unemployment Insurance Bureau. He said:

But the top administration here in Washington issued instructions to the Employment Service to find jobs and place people only in jobs essential to the war effort and not to find jobs for unemployment compensation claimants who are not qualified to work in essential war industry.

That bears out what the gentleman said a moment ago.

Mr. DONDERO. Mr. Speaker, will the gentleman yield for a question?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. DONDERO. Was any commitment made on the part of any Government agency to these people that unemployment insurance would be available to them if they went to work for the Federal Government?

Mr. TABER. There never has been any such commitment; and on top of that they have been treated better than people in private industry, because they have greater leave with pay and they have sick leave with pay; and on top of that, as I have stated, there is set aside a large retirement fund, a fund that is a great deal larger than that set aside for workers in private industry.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Speaker, I am in favor of extending unemployment benefits to Federal employees. I believe the Federal Government should do for its own employees what it insists industry do for the employees of industry.

It is estimated that after the termination of hostilities we will have upward of 1,500,000 employees in the Federal departments who will lose their jobs. To me it is no answer to say that the Government has been deducting 5 percent from their salaries for the retirement fund and that when they lose their jobs they should withdraw their retirement money and live on that during their unemployment period. In the first place, it will take from 6 months to a year for them to receive their checks covering their retirement accumulation.

Secondly, as a mere matter of simple justice, the Federal Government, like private industry, should make provision for its employees. Under the Social Security Act the employers must pay 3-percent tax for unemployment, 2.7 percent going to the State funds and three-tenths percent to the Federal Government. It matters not whether the private concern has an employees' pension fund. Is there any justice in taxing industry for unemployment compensation for the benefit of its employees and to take the position that the Federal Government should not be compelled to contribute for unemployment compensation?

I fail to see any difference in the needs of employees who lose their jobs in private industry and those who lose their jobs in Government service as a result of the war effort. I confess that I cannot see the logic in the position of those who say that the welders, machinists, riggers, and other mechanical and clerical help in the Todd shipyard in New York should be entitled to unemployment compensation and the welders, mechanics, riggers, and other mechanical and clerical help in the Brooklyn Navy Yard, only a mile or two distant, in the same county and along the same river front, should not be entitled to unemployment compensation. Do not forget that the 3 percent contributed by the private shipyards is included in the cost of construction of the ships built for the Government, so that, in reality, the Government is paying the tax of the private shipyard.

Is there any wonder that we are having difficulty in getting labor for Government shipyards and ordnance plants? As the war progresses it will be more difficult to get labor and clerical help for Government service, because if we, today, vote against extension of unemployment benefits to Federal employees, it will be to the advantage of these people to give up their jobs in the Government service which needs them badly, and get back into private industry where they know that in the event they lose their jobs, they will receive unemployment benefits for a definite period of time, during which they can seek new employment.

I previously said, when this bill was originally before the House, that it was wholly inadequate. I was one of the four on the Ways and Means Committee who signed the dissenting report, because inadequate as the bill was when it came to our committee, it was only a skeleton of its original self when our committee reported it to the House and as it passed the House.

It looks to me as though the House is deliberately and painstakingly doing everything in its power for business, but not one single thing for the worker. We have passed a bill for reconversion for the benefit of business; we have passed the surplus-property bill for the benefit of business. There is already a strong movement to reduce the tax on corporations, but we have not done a single thing for the protection of the war worker when hostilities cease.

We have been regaled here with statements of the great cost. Let those who speak that way consult the record and see whether they did not vote last year for the Ruml plan which forgave a year's taxes while we were in the midst of our fight for survival as a great Nation of the world. We look upon the loss the Government will suffer in the disposal of surplus property as a cost of the war. We look upon the cost of reconversion as a cost of the war. These have to do with industry; these have to do largely with big business. But when it comes to the human side of the war, when it comes to seeing that the Government acts as fairly to its employees as it compels industry to act toward the latter's employees, we are suddenly apprehensive of the cost. To my mind, unemployment compensation for Federal employees who have been engaged in war work—and I believe only those who have been engaged in the war agencies will lose their jobs, should be as much a cost of the war as the cost of reconversion and the disposal of surplus property. The only difference is that one helps the worker, the others help industry.

(Mr. LYNCH and Mr. DOUGHTON asked and were given permission to revise and extend their remarks.)

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Speaker, I am one of those who believe very strongly that the item now before us is worthy of much greater consideration than it is apparently receiving.

Opponents of the idea of extending unemployment insurance coverage to employees of the Federal Government have this afternoon passed over the item in a rather light vein in some instances; in fact, some ridicule has been indulged in on the floor in order to try to draw a red herring across the trail. We must be honest with ourselves and consider the fact that this is a temporary measure, that the life of the bill before us is at the outside for only 2 years after the war ends and that the number of jobs now being held by Federal employees according to the latest figures is somewhere around 3,000,000, and surely not the entire 3,000,000 of them will be thrown off the Federal pay roll at the end of the war. There is a considerable number

of Federal employees right here in the District of Columbia, including white-collar workers. We also have those in the arsenals, in the navy yards, and in the torpedo stations who will be thrown out of employment. Many of these people have taken those jobs at the insistence of the Civil Service Commission that sent recruiters throughout the country telling the people that it was their patriotic duty to work for Uncle Sam, and there was an urgent need for their services. In fact, they have gone so far as to send them to the Rhode Island State College, where only last week a class of 42 or 45 graduated. Those secretaries were young ladies from throughout New England who had been brought down to Rhode Island under the auspices of the Government, trained to be secretaries, and upon their graduation to come to Washington to help serve the war effort.

Under these circumstances every one of those persons who responded to the call and who, upon termination of their employment, find themselves out of a job, should be eligible for unemployment compensation to tide them over until they find a job. I think this is directly a war expense.

Someone asks, "Where are you going to get the money to pay for this? How many people are going to be affected? How much is it going to cost?" My answer to those questions is that I cannot tell you what the cost of that is going to be any more than you can tell me what the cost of the war will be. This is part of the war expenditure and as such should be paid out of war funds. We are all hoping that within the next few days the war in Europe will have reached its end. When that time arrives there will be unexpended funds in the War and Navy Departments, funds that we have appropriated for the current fiscal year. Out of those funds we should find a way to pay this unemployment compensation.

Something was mentioned a few moments ago regarding the retirement money that these people will draw. It has been brought to your attention this afternoon that the retirement money coming to people leaving the Federal service is not just there waiting for them when they get their discharge slips. Every one of you, I am sure, has had case after case he has had to handle for his constituents and that it has taken not only from 2 to 3 weeks but up to a year. In fact, last week I had one come across my desk that has been pending for a year and a half. Nobody is to blame for that particularly because we realize the great turmoil the war has caused. We know that these people working for the war agencies would like to get their money back, but within the war agencies it seems impossible to get the records out in time for the Civil Service Commission or the Retirement Board to make quick settlement.

Mr. Speaker, I beg of the Members that they give serious consideration to this item and to extend this coverage to the Federal employees about to be let out.

The SPEAKER. The time of the gentleman has expired.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. REED].

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. Is the rumor true that if this passes and it is permitted to include Federal employees that Congressmen and their secretaries will also get it?

Mr. REED of New York. There are quite a number of people here who are against this.

Mr. COOPER. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the gentleman will recall that this will not include Members of Congress because Members of Congress under the law are not employees of the Government. They are officers of the Government.

Miss SUMNER of Illinois. How about the secretaries?

Mr. REED of New York. It would include secretaries, though.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I would like to say a few words here myself.

Mr. MICHENER. Does it include the secretary?

Mr. REED of New York. Mr. Speaker, I can imagine nothing that would be more gratifying to any Member of Congress than to vote unemployment compensation to every person in the United States.

How I would thrill at the prospect of going into my district and telling my constituents that through my efforts their working days were over; that every week a check would be forthcoming from Uncle Sam.

Can you imagine the temporary joy with which such an announcement would be received?

Not alone that, but how such a move would garner in the votes!

Who are left out of unemployment compensation? Agricultural labor, domestic service, casual labor not in course of the employer's trade or business, services on both American and foreign vessels, services in the employ of a foreign government or its instrumentalities, employees of Federal, State, and local governments, and certain of their instrumentalities, family employment, service by insurance agents, service by newsboys under 18, services for fraternal and benefactor associations, services for certain charitable, religious, educational, and scientific organizations not organized or conducted for profit.

How about the old people?

They are unemployed. Why not go the length?

There is a bill pending to provide every adult citizen in the United States with equal basic Federal insurance, permitting retirement with benefits at age 60, and also covering total disability, from whatever cause, for certain citizens under 60; to give protection to widows with

children; to provide an ever-expanding market for goods and services through the payment and distribution of such benefits in ratio to the Nation's steadily increasing ability to produce, with the cost of such benefits to be carried by every citizen in proportion to the income privileges he enjoys.

It would be an inspiration to vote benefits for all these groups of splendid people. What restrains some of us from supporting these proposals to cover the classes not now covered? Do we not have to exercise restraint, even though it would mean votes were we to surrender to our desire to vote subvention to all. As stewards of the people, who are taxed to pay, should we commit the people to a burden of millions to add to a national debt of \$211,236,403,023.19 of a few days ago? The debt is growing by leaps and bounds, and the war and its expenditure still continues.

Must we, without thought of the future, and only with thought of increasing our own majority at the polls, throw discretion and prudence to the winds? It must be remembered that the returning soldiers will have to shoulder a portion of every financial commitment made by Congress which appears on the deficit side of the ledger.

We face a fiscal crisis in this country, and it behooves us as trustees of the people, that there be a closer team work when it comes to appropriations and the revenue to pay for them.

If today were tax paying day, and if there were not a national election on November 7, I doubt if there would be a vote against the position taken by the Ways and Means Committee. The war still rages. The ultimate size of the debt cannot be estimated. The end of hostilities is any person's guess.

This proposal should be explored and then voted upon in the orderly way after full and fair hearings. It must be remembered that Federal employees, if granted unemployment benefits, as is here urged, would also get their accumulated sick leave and the 5-percent benefits under civil-service retirement. The question of discrimination should be carefully studied before passing such a far-reaching piece of legislation.

Any person who shall have rendered service as a civilian in the employ of the United States Government, after September 16, 1940, shall be entitled, in accordance with the applicable provisions of the unemployment compensation law of the State in which claim for compensation is filed, to receive compensation for each week of unemployment commencing after September 30, 1944, in the same amounts, on the same terms, and subject to the same conditions, as though the unemployment compensation laws of the several States did not exclude services performed in the employ of the United States Government.

The SPEAKER. The time of the gentleman from New York has expired.

(Mr. REED of New York asked and was given permission to revise and extend his remarks.)

Mr. DOUGHTON. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. SASSCER].

Mr. SASSCER. Mr. Speaker, I hope that the provisions of this bill will be

broadened to include within its scope Federal employees. As I listened to the debate, the argument against such inclusion seems to be directed more against unemployment compensation as a system than against including Federal employees. We have had men leaving private employment contributing to the war by going into Government powder factories, Government shipyards, Government ordnance gun factories, and other Government agencies, working frequently in the same block with men in private employment who often get a few dollars more a day than the Federal employees in similar work.

When the former are included is it just to exclude the latter? A greater percentage of the latter are maintaining homes in local communities. They would have qualified for unemployment compensation had they not gone into Government work.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON of Kansas. Mr. Speaker, today we are trying to do something on the floor of this House that the Committee on Ways and Means should do. That is, we ought to go into this proposition thoroughly. I have said time and again that the present Social Security Act is unfair to millions of our citizens. If we are going to have a national social-security program, it should be national in scope and cover all our people. Under the present law millions of our citizens are contributing directly and indirectly to a national social-security program, under which they can receive no benefits. These same individuals are taxed both directly and indirectly for the cost of the program. Contributions for unemployment compensation are paid by the employer by a 3-percent tax on pay roll. No one is so naive as to believe the employer pays the tax. He is merely the collector. If he produces goods for the Government, the Government pays the tax. If he produces goods for peacetime consumption, the consumer pays the tax. In any event, the citizen is taxed directly or indirectly for the entire cost. Old-age and survivors' insurance are paid for by contributions of 1 percent each by employer and employee. Certainly no one would argue that the Government or citizens generally do not pay for a large portion of the cost of this program. At the present time State unemployment laws are so written that farm labor, the self-employed, domestic servants, Government employees, military service, employees of very small employers, and maritime employees are not covered.

Today we are asked to include a large group of workers, namely, the Federal employees. There may be justification for their inclusion, but it should not occur by just a haphazard approval of an amendment that is as wide open as this one. Why do I say that? There are a number of folks who want to include the maritime employees under this coverage, and I think they can make a good case for it, but if you adopt this amendment today you do not include all the maritime workers, you include only

those who work for the United States Maritime Commission and the United States Shipping Service. Maritime workers who are working for private shipping concerns would not be covered. This would be a rank discrimination against these individuals.

This same situation applies time and again as you cross lines of employment in the Federal Service. You go out into the rural sections, for instance, and the way this amendment is drawn, you take care of certain employees in the triple-A offices of this Nation who began work after February 16, 1940. Employees who began work in these same offices previous to that date and whose work terminates would not be eligible. The basis of coverage should not be limited to those individuals who began work after a certain date. It would be most unfair to cover those employees who work only a few days and whose positions were terminated, and discriminate against those who had worked for a longer period of time than the period of the war.

These are some of the problems we should study in our committee. The chairman of our committee when he took the floor this afternoon made the direct statement that if the committee is sustained he will immediately call the Committee on Ways and Means together to study this problem and bring a report back to the House. That is a fair proposition.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. CARLSON of Kansas. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Under the gentleman's construction of the bill, would it include operators in the Pentagon Building who will be let out immediately after the war?

Mr. CARLSON of Kansas. If this amendment is approved, if an elevator operator is hired in this Capitol today and released tomorrow, he could be included in this bill. That is how far reaching it is in its construction.

Mr. DINGELL. If the gentleman will yield, as I understood him he stated unequivocally that if the position of the conferees proposed here by the chairman is sustained, we will have hearings on social-security problems and particularly on these problems. Is that the assurance of the gentleman?

Mr. CARLSON of Kansas. I stated that the chairman, as I understood him, said that if the position of the committee is sustained he will call the committee together to consider immediately that section dealing with the coverage of Federal employees.

Mr. DINGELL. I did not understand that.

Mr. DOUGHTON. There is no question of trying to delay this matter. My statement was that at the first practicable date I would call the committee together to determine what course we should take.

Mr. DINGELL. The first practicable date? That is no assurance at all that we will consider it.

Mr. CARLSON of Kansas. I am just as anxious to go into the entire social-

security program as is the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. I do not doubt that. The gentleman from Kansas has always insisted on a thorough overhauling of the entire social-security program.

Mr. CARLSON of Kansas. I think that is one thing Congress and the committee should do. We might just as well be fair about this. We cannot get into the social-security program and make a fair study and revision of it in a month or two. That is a job that takes several months. It is a job that should be done.

We must remember that our Nation has had a very limited experience with social security. The original act was passed in 1935 and in my opinion it is time we stop and take stock. Foreign countries have had greater experience and we should be able to benefit from the experience they have had with it. Unemployment compensation is but one of the features that should have the benefit of a thorough study by the Ways and Means Committee. Title 1 of the Social Security Act, or the old-age and survivors insurance program, should also be studied with a view of expanding and improving it. Many of us believe that we are accumulating an accrued liability that will sooner or later impair the entire old-age and survivors insurance fund. It is unfair to future generations to build on a false premise.

In Germany, national unemployment insurance, which was introduced on a large scale in 1926, produced a situation where many people would rather claim 10 or 12 marks a week in benefits and go on a hike, than make 20 or 25 marks and go to work. The lack of jobs alone could never have accounted for the tremendous rise in the cost of unemployment insurance, from 525,000,000 marks in 1928, to over 1,000,000,000 marks in 1931.

C. A. Kulp—Social Insurance Coordination, page 240—says:

The Federal Treasury was obliged to begin payment of special subsidies to local governments for support of the unemployed. In 1930 it gave RM. 3,700,000; in 1931, RM. 233,800,000; in 1932, the high mark of Germany's postwar financial crisis, the enormous sum of RM. 652,000,000. Even with this aid from the Federal Treasury the load on the local governments was insupportable, was a direct cause of their nearly universal bankruptcy. (Figures relate to unemployment insurance as well as unemployment relief—G. H.)

The British experience paralleled that of Germany. In 1923 about 11,200,000 persons were insured, and in 1931 about 12,500,000, an increase of a little over 10 percent. In contrast, expenditures on account of unemployment insurance rose from £41,200,000 in 1923 to £122,200,000 in 1931, a rise of nearly 200 percent, or 20 times the increase in coverage—Insecurity, by Abraham Epstein, page 363.

Although the depression was an important factor, the rise in cost was due in no small degree to the way in which unemployment-insurance benefits were taken advantage of.

As a result of this enormous cost, the British unemployment fund contracted a debt of £115,000,000 by 1932. The fund was near bankruptcy. The exchequer

stepped in and practically took over its obligations.

It was plain to everyone—

Says C. A. Kulp—Social Insurance Coordination, page 97—

that things could not go on much longer at this rate and in this direction. The May committee was a committee on national expenditure and its report reviewed the entire national financial structure; it is significant of the importance of unemployment costs that more than two-thirds of its proposed savings were to come from drastic reforms in the unemployment-insurance scheme. Unemployment had become a national issue; the failures of the second Labour Government to meet it led largely to its downfall in the summer of 1931. The period (1927-31, G. H.) had opened optimistically, with the hope, if not of abolishing, at least of sharply reducing noncontractual payments to the insured victims of unemployment. It ended by reassertion of central responsibility for a large part of unemployment relief.

Neither Germany nor Great Britain were able to solve the problem of unemployment insurance. In Great Britain benefits were reduced, contributions raised, the needs test reintroduced for traditional benefit recipients, and other changes made, but most of all the new prosperity made for a rapid decline in the number of unemployed.

In Germany, Adolf Hitler did away with unemployment by the simple means of conscripting labor. From 6,000,000 the number of unemployed was reduced, within a short time, to a few hundred thousand, most of whom were unemployable.

Our country is different, in many respects, from either Germany or Great Britain. But whether this difference extends to unemployment compensation is very doubtful. For reasons best known to the Social Security Board, our system follows the same generous pattern of providing not only for all those covered who at some or other may be idle, but also for all the varieties into which such idleness may be divided. It should therefore surprise no one if our system would produce results similar to those produced in Germany and Great Britain, namely, an accumulation of expenditures so tremendous as to make it unworkable as a permanent system.

It is my hope that Congress will, in the near future, have an opportunity to go into this problem thoroughly.

Mr. Speaker, I hope the position of the chairman of our committee will be sustained.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. EBERHARTER] such time as he may require.

(Mr. EBERHARTER asked and received permission to revise and extend his remarks in the RECORD.)

Mr. EBERHARTER. Mr. Speaker, the House is today being given an opportunity to correct what is an obvious discrimination against the faithful war workers who have made such a splendid record in production of the matériel needed for the war in Government owned and operated arsenals, plants, shipyards, offices, and in many and varied other civilian capacities in the war effort. How can we say with jus-

tification that a discharged employee of a private business is entitled to unemployment compensation of a certain amount and for a certain period of time, and at the same time say that the discharged employee of a Government-operated plant shall not be entitled to any unemployment compensation whatsoever. Thousands upon thousands of these employees of Government-operated plants heeded the pleadings of the Government to accept employment in a Government plant purely from patriotic motives and often at a personal sacrifice, and let me say that there are many many Government-operated plants which have paid a lower rate of wages or salary than an employee could receive from a private employer for doing exactly the same work.

The Government of the United States by law practically forced every State in the Union to pass unemployment-compensation laws by laying a 3-percent tax on pay rolls, and now can we say in the next breath that the Federal Government should not pay unemployment compensation to its very own employees?

Mr. Speaker, the least the House can do is to accept the provisions in the Senate bill, providing for the payment of unemployment compensation to those who worked in Government-operated plants who are unable to find reemployment when the post-war readjustment and reconversion period commences.

Mr. DOUGHTON. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, in view of the fact that the time is short, I will just say I expect to support this motion.

Mr. Speaker, I ask unanimous consent that I may revise the remarks that I may make.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. JENKINS. Mr. Speaker, the conferees on the part of the House and those on the part of the Senate have labored long and faithfully in an effort to compose the differences between the legislation passed by the Senate and that passed by the House.

The Senate after long debate amended the much discussed Murray-Kilgore bill by passing what was known as the George bill. The George bill came to the House and was referred to the Ways and Means Committee which considered it for several days but because of pressure from the membership to hasten the consideration the Ways and Means Committee did not take time to hold public hearings on two or three very important matters and for that reason and other sufficient reasons the committee reported the bill back to the House with some very drastic changes. The House supported the action of the Ways and Means Committee in a very substantial manner. When the bill went to a conference composed of Members of the Senate and House the House conferees were strong in their support of the action of the House. A majority of the Democratic Members supported the House action and the Republican Members were unani-

mous in their support of the bill as it passed the House.

When the bill was taken up for consideration by the conferees it was only natural each group would contend for the action taken by its respective body. The conferees by a give-and-take policy were able to compose all differences but two. The House conferees decided to return to the House to ask for further instructions with reference to these two differences since it appeared that the conferees could not agree. We are now about to decide what kind of instructions we shall give them. Mr. DOUGHTON the chairman of the Ways and Means Committee has brought the matter before us by a motion to further insist on the disagreement and maintain the position heretofore taken by the House.

One of the matters upon which the conferees failed to agree we have already disposed of this afternoon. I shall only refer to it in passing. That was the provision providing for travel pay to employees. The House stood by its former action by a vote of nearly 3 to 1. The House would have favored travel pay to deserving cases but why vote millions of dollars when we don't know how much will be needed and whether any will be needed.

The other matter in disagreement is to my mind very important and more important than the travel pay matter. The matter of the payment of unemployment compensation to Federal workers is very important because it is an entirely new matter. Congress has never done it before.

I know that it is easy enough to say as one of our colleagues said a few minutes ago, "Since workers employed in the States are paid unemployment compensation why not pay it to the Federal employees?" This raises the real issue in the whole controversy. Let me ask you how does it come that workers in the States are covered by unemployment compensation? It is for the simple but profound reason that the workers in the States have an unemployment insurance carried for them by reason of a compulsory law which requires every employer to deduct from the earnings of the employee a sum equal to 3 percent of the wages which he pays to his employees. In other words industry in the States pays a heavy tax of 3 percent to maintain an insurance that can be paid to the workers when they become unemployed. But the Federal Government has no such insurance program. The Federal Government cannot levy a tax on itself. The Federal Government is a tremendous business but it cannot tax itself. A more appropriate question for my colleague to have asked would have been "Do we pay unemployment compensation to our State and county and municipal employees?" The answer would have been "No." Then Mr. Speaker, if we do not pay our State, county, or municipal employees by what logic should we pay our Federal employees?

Mr. Speaker, my colleagues will remember that when this matter was before the House an effort was made to amend the bill by inserting a section

which would provide for the payment of unemployment compensation to Federal employees and a point of order was raised to it on the ground that the matter of appropriating money must come before the House only after it had been passed on by the Appropriation Committee of the House. The point of order was sustained and the proposed amendment was declared out of order. Now, Mr. Speaker, we are here trying to do exactly what we had no parliamentary right to do before and we could not do it then because the proper committee had not passed on it. That proper committee has not passed on it yet. I appreciate that the parliamentary situation has changed but the reasons have not changed.

I would call the attention of the membership to the fact that the original Social Security Act was prepared and started on its legislative way, in the Ways and Means Committee of the House. It could not have been originated in the other branch of the Congress because the Constitution specifically provides that all bills for raising revenue must originate in the House. Yet, this whole fight concerning the unemployment compensation originated in the Senate. That should have been left to the House. The Ways and Means Committee did not consider this from a tax standpoint, although it involves the raising of millions for it provides for the spending of millions and never yet has the Government been able for long to spend millions that it has not raised by some kind of taxes.

Mr. Speaker, when Congress in 1935 passed the social-security law which carried the first provision for a tax for unemployment-compensation purposes it, by that very act and in a most emphatic manner set up the unemployment compensation as a State function. If it had intended that the Federal Government should go into that field why did it not provide as much at that time. The reasons was, that it was never intended that the Federal Government should go into that field. In fact the whole movement was one to compel the States to provide unemployment compensation for the workers in the States. It was compulsory and the compulsion was a stiff tax of 3 percent of all pay rolls. The philosophy upon which the unemployment compensation theory was built is directly antagonistic to the theory that there should be unemployment compensation for Federal employees. That is why the States are all opposed to the Federal Government entering this field.

Mr. Speaker, those of my colleagues who have so valiantly and loyally heretofore defended the State unemployment compensation systems against the threatening encroachments of the Social Security Board in its efforts to Federalize all unemployment compensation systems should awake to the realization that this is an effort to get the camel's head in the tent on the part of those who would Federalize all unemployment compensation systems. I would have you know that if we fail to stand by our former decision we will be playing directly into the hands of Altmeyer and all those who want to bring this great program with all its potential sources of revenue under

the hands of the Federal Government. You surely have not been blind to this insatiable money-grabbing influence that has been so much in evidence in the past few years.

Mr. Speaker, let me ask you, my colleagues, if you vote down this motion and thereby undo your previous action, what will you put in its place? You will in effect give approval to setting up a plan to pay unemployment compensation to all Government employees of all kinds. You will include men who have been employed here in Washington for 20 or 25 years and who have been drawing large salaries of say \$5,000 per year and who have built up large retirement protection and who are protected by civil service. You will include postal employees and diplomats living in foreign countries and altogether about three and one-half million persons. When you listen to pleas that this will apply only to war workers—meaning men and women who do what is generally considered as factory or shop work, you are only fooling yourself. Personally I have been willing and anxious to support some plan that will give assistance to this class of Government employees, but I am not in favor of including about three and one-fourth million people who are well protected, many of whom are violently opposed to being included, just to take care of a few who will not then be adequately cared for. I am in favor of supporting the former action of the House and then stand in readiness to take appropriate action to assist those who may need assistance when the war is over. We can then be better able to ascertain just what will be the best way to assist that group if there be any group needing assistance. Many of these war workers who made sacrifices by leaving their homes and families and moving to distant places to assist in war work should be assisted when they need it. As yet there is no serious unemployment. Only a few days ago Justice Byrnes made a statement to the effect that unemployment threats were greatly exaggerated. Let us wait until we can better judge what the problem will be and then act immediately and effectively. Let this be no idle promise but let it be a serious intention to give the matter full consideration.

Mr. Speaker, let nobody be misled into believing that the defeat of this motion is the best way to bring relief to stranded working men and women, or to working men and women who are not stranded but who were formerly employed by the Government and who find themselves unemployed. That condition has not developed yet. The best way to meet that problem is for the Ways and Means Committee to take that matter up for public consideration when it develops. And I would favor that the committee take the matter up for consideration as soon after the election recess as is practicable with the idea of anticipating any such situation that might arise. I think that Mr. DOUGHTON has already signified his willingness to call the committee together to consider such a plan. In fact, several members of this committee, including myself, repeatedly, in committee and in public, have signified our willingness to

make provision for deserving war workers if a plan or formula could be developed that would do it. Our committee made serious efforts and attempts to get from well-known experts on the subject some plan or formula but in each instance we were advised it was impossible to evolve such a plan because it was impossible to determine where to draw the line that would include the persons that should be included and exclude those that should be excluded.

By reason of these facts I feel that our proper course is to sustain the motion and at the same time hold ourselves in readiness to meet the situation as it develops. Yes, and to go far enough to provide plans when the same can be evolved on just and reasonable bases.

Mr. DOUGHTON. Mr. Speaker, I yield the balance of my time to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Speaker, the Committee on Ways and Means besides trying to do what ought to be done in each specific instance, has also been standing guard over the Treasury of the United States. We could not swallow the travel-pay feature of this bill. When we struck out retraining with a vision ahead of a vast N. Y. A., even the gentlemen who are most interested, or especially interested in labor problems, realized that they did not want a vast number of people retrained by Government to compete with the jobs which your constituents already have and for which they are now being paid. The wisdom of the committee has been justified in that. We think the vote of the House today justifies the wisdom of the committee in rejecting travel pay. We beseech you most earnestly to give us a chance to work this matter of Federal employees' compensation out properly. When social security first came on the horizon, the original recommendation of the Social Security Board was that Government employees should not be included. The Board now recommends it. But at the outset it recommended that Government employees be not included under social security. This is a sneaking way to bring in the Federal employees by the back door and not the forthright way in which it ought to be done, taking into consideration everybody's interest.

Touching on the subject of expenditure of money, this incubus of extravagance that has spread over this Hill, breeds things like travel pay and the retraining program that was proposed. You must remember we started this war with a public debt of \$65,000,000,000. I notice some of my colleagues smiling at my talking about these things, because I have ridden economy in expenses as a hobby, but wait until the wrath of the small taxpayers comes along and then you will not smile.

Mr. DINGELL. What about the oil subsidies?

Mr. DISNEY. I was against the oil subsidy 10,000 percent. I think it was a wrong, un-American thing to do. That is the answer to that. Please do not bring in your local ideas on that. While I am still on that subject, we ought to have great respect for the Colmer re-

port which was made recently. It was thoroughly done and it states we will probably have a Budget of at least \$20,000,000,000 annually shortly after the war. It goes on further with this statement:

If spread evenly over the entire population, the post-war Budget means that the cost of supporting the activities of the Federal Government alone would be over \$550 a year for a family of four. State and local governments after the war are likely to need approximately \$350 per family, in addition, or a total of something like \$900 a year for a family of four.

In Federal, State, and local taxes, if you please.

I believe we ought to stop, look, and listen, and save the people's money at every opportunity.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield for an observation?

Mr. DISNEY. Yes; I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman says all this spending breeds such propositions as travel pay, and so forth. I was very much surprised to note in the RECORD the other day that a distinguished statesman in another body has introduced a bill to furnish each Member of Congress with an additional clerk at \$3,900 a year, whose sole duty shall be to handle veterans' cases.

Mr. LYNCH. Will the gentleman yield?

Mr. DISNEY. I yield.

Mr. LYNCH. The gentleman is familiar with the fact that the Colmer report also suggests an extension of the consolidated returns.

Mr. DISNEY. Yes, sir; and on page 28 it says in a footnote that some members of the committee feel, that in view of the present public debt and the additional heavy drain on the Government, that additional obligations of an undetermined amount like this plan for Federal employees' unemployment compensation should be abandoned.

Not a soul in the executive department has given the slightest estimate of how much this will cost, how much the travel pay will cost. Not even a guess.

Mr. LYNCH. The gentleman will recall that when certain members of the Ways and Means Committee endeavored to have the head of Social Security appear before the committee and give information with respect to social security, the committee voted it down and he was not allowed to appear.

Mr. DISNEY. Well, that does not convey a fair impression to the Members of the House, if the gentleman does not mind my saying so.

Mr. LYNCH. Well, it is a fact.

Mr. DISNEY. Now, let us get at the point of the Federal worker's welfare in facts and figures. I want the Members to know my earnest desire to have all the facts before you. I believe this table is correct I have before you on the easel. I know the reference to stenographers' pay is correct—1, 2, and 3 years for stenographers' pay—and what they receive on dismissal. I have not had a chance to completely verify it, but on my honor I believe it is correct as to industrial Federal workers. I shall put it in the RECORD

and if there are any figures there that are not correct, I will correct them.

Government employee: 1 year

Stenographer—\$1,440 per year:
26 days leave less 12 days leave = 14 days..... \$68.13
Retirement fund—refund..... 72.00

Total, with 2 weeks vacation..... 140.13
If no leave taken..... 58.40

Total—no vacation..... 198.53

Navy yard or Government arsenal—
\$1.26 per hour:

Accumulated leave 14 days..... 141.12
Retirement fund contributions—refund..... 131.54

Total, if 2 weeks vacation taken..... 272.66
If no leave taken..... 120.96

Total, if no vacation..... 393.62

Government employee: 2 years

Stenographer:
52 days accumulated leave less 24 days vacation taken = 28 days..... \$136.26
Retirement fund contributions—refund..... 150.09

Total—2 weeks vacation taken each year..... 286.35
If no vacation taken..... 116.80

Total—no vacations..... 403.15

Navy yard, Government arsenal, at
\$1.26 per hour:

52 days accumulated leave less 24 days vacation = 28 days..... 282.34
Retirement fund contributions—refund..... 273.28

Total—2 weeks vacation taken each year..... 555.52
If no vacations taken..... 241.92

Total maximum, no vacation..... 797.44

Government employee: 3 years

Stenographer:
78 days accumulated leave less 36 days vacation = 42 days..... \$204.40
Retirement fund—refund..... 229.53

Total with 2 weeks vacation each year..... 433.93
If no leave taken..... 175.20

Total, maximum, no vacations taken..... 609.13

Navy yard or Government arsenal
worker drawing \$1.26 per hour:

78 days accumulated leave less 36 days leave taken = 42 days..... 423.36
Retirement fund contributions—refund..... 418.36

Total with 2 weeks vacation each year..... 841.72
If no vacations taken..... 332.64

Total—no vacations..... 1,174.36

Mr. H. CARL ANDERSEN. Will the gentleman yield? It is not correct. That should be \$403 in the second column.

Mr. DISNEY. Each Federal worker gets 26 days leave with full pay. The Government during wartime has cut that down to 12 days. But, it works out for a \$1,440 stenographer, 26 days leave, less 12 days taken, is 14 days. Fourteen

days accumulated leave is \$68.13. The retirement refund is \$72. In all fairness and frankness we must admit that the retirement fund is the employee's money, but it is money with which to tide her over. When we see statements in the Washington press that stranded Government employees are going to be adrift in the country, we must remember they get their retirement and their annual leave with pay. If they have not worked more than 5 years they can take the retirement fund in a lump sum or by distribution. So, with 2 weeks' leave, the total is \$140.13. If no vacation is taken, \$58.40, or a total of \$198.53. Does that leave the employee in such a terrible plight as compared with compensation to other employees in private industry?

Now let us take the industrial worker at a Government plant. Twenty-six days less 12 days' leave taken is 14 days. This is conservative because overtime is not calculated in this table in accumulated leave. The amount to the worker would be larger if I took the overtime into account. Fourteen days accumulated leave at \$10.08 a day equals \$141.12; refund of retirement \$131.54; for a total with 2 weeks' leave of \$272.66. If no vacation is taken \$120.96 additional or a total of \$393.62. That compares very favorably with any employee in a private plant. Where they work for 2 years a \$1,440 stenographer gets \$303.14.

Mr. H. CARL ANDERSEN. That should be \$403.

Mr. DISNEY. The figure here is wrong. It should be \$403.15.

The worker in an industrial Government plants gets \$797.44, if he works for 2 years; a stenographer working 3 years gets \$609.13. If the worker in an industrial Government plant has worked 3 years he gets \$1,174.76.

I believe, Mr. Speaker, this table is correct. These figures as to the stenographer have all been verified by letter with the Civil Service Commission. As to industrial workers they are nearly, if not literally, accurate. These Government workers get 26 days' annual leave; they get 15 days' sick leave. They are free from garnishment. There are many things they are entitled to that the ordinary worker in private industry does not get.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. In just a minute; my time is short.

This Senate bill provides that every civilian worker, every worker, if you please, after a certain date is going to be paid compensation just as if he were being employed privately; and if the States do not make an agreement to pay it, you will see from the provision on page 21 that the Civil Service Commission has to pay it out of the Treasury. Now, are you going to turn us down on this? Are you going to give these people this money, this compensation? There is no exception in this bill or in what we have asked for instructions on. They get their accumulated leave and will get paid for it as well as their compensation. No matter if they have worked only 2 or 3 days instead of 2 or

3 years they have their turn at compensation plus accumulated leave.

You are not going to do that with the Treasury in the condition it is. These Government people are not bad off. They will probably be better taken care of than those in private employment. Let us use a little sense about this, instead of talking in generalities. These figures show they are not entitled to more than they are getting. They should not have accumulated leave with pay, and also unemployment compensation.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. KNUTSON. In justice to the other body I think the Record should show that this idea was the brainchild of a man named Schemple connected with the C. I. O.

Mr. DISNEY. I do not know how we can do justice to the other body when they bring a bill like this to the House of Representatives.

Mr. KNUTSON. Let us be charitable to them at least.

Mr. DISNEY. I like to be charitable, but it appears the other body does not get the facts, and reason them out, and sift them like we do in the House. We cannot escape our duty.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. DISNEY. I yield.

Mr. DINGELL. It strikes me as not being, I should say, fair—

Mr. DISNEY. It is perfectly all right with me to say "unfair"; I can take it.

Mr. DINGELL. Where a man has sick leave that they will have benefit of payment for that. Hundreds and thousands of employees will not be getting that leave.

Mr. DISNEY. They get 15 days' sick leave outside of the 26 days' annual leave.

Mr. DINGELL. I know that.

Mr. DISNEY. The 15 days' sick leave is in addition to the 26 days' annual leave.

If you look into the history of this provision, you will find that the original intent was to give these benefits to Federal employees in navy yards and arsenals. However, it soon emerged covering all civilian employees of Uncle Sam:

Employment by a State government or its instrumentalities must continue to be excluded from Federal unemployment compensation provisions for the reasons cited in connection with old-age insurance (constitutional). The Board does not believe there would be any great advantage in including Federal employees under the unemployment compensation provisions. Civil-service employees are, for the most part, already protected against the hazard of unemployment, and it would probably be more practical to provide for noncivil-service employees through some form of dismissal wage rather than through establishing a special nationwide unemployment compensation system. (Hearings, Ways and Means Committee, 1939. Social Security, vol. 1, p. 11.)

The Committee on Ways and Means spent more time in considering this question than any other. A majority of the committee was not convinced that this was a sound policy to be adopted at this

time. I, personally, am still of the same opinion.

It is difficult to draw an accurate comparison between a worker in a private industry and a Government worker. Employment in each have certain inherent advantages and disadvantages. Generally speaking, the employees knew what these were when they entered employment. However, I think it well to recall how we treat the Federal employee, since the proponents of this provision have sponsored them.

Uncle Sam is most generous in his treatment of employees. He provides them with 26 days vacation a year. If they are unable to take only a portion of this vacation, he allows them to accumulate this vacation, up to a maximum of 90 days. He also provides them with sick leave of 15 days a year, in addition to the vacation leave. Then, too, there is the retirement system that has been provided. Workers in private industry do not receive anything like this on the average.

It seems to me that Federal employees will be in a most favorable position to finance their way home and to have funds to tide them over to a new job. A worker in private industry would have only unemployment compensation that would vary according to the State from \$210 to \$480 at the maximum.

A few days ago, the House passed a bill providing for lump-sum payment of accumulated vacation time. To me, this emphasizes the fact that payment of such accumulated leave or vacation amounts to a dismissal pay. No one to my knowledge has ever advocated that workers should receive both dismissal pay and unemployment compensation. This would happen if this provision is retained in this legislation.

The most serious objection that can be levied against this provision is the preferential treatment given Federal employees. We would be sneaking them in the back door without consideration for the folks who are still left in uncovered employment. We would be discriminating against the clerk in the small store, the typist in a city hall, the farmer, and his help. Can we afford to do this? But it appears to me that it would be the height of political stupidity to single out an already unpopular group for preferred treatment at this time.

Seriously, Mr. Speaker, we must not lose sight of reasonable and sound objectives. We are still faced with tremendous expenditures for the war. We are collecting taxes to cover only about one-half of the cost as we go along. Can we conscientiously authorize appropriations—a billion for this, a billion for that, without providing some means of financing these sums?

When this war is over, we will be faced with the problem of financing a budget of twenty or twenty-five billion a year. The interest on the national debt will be six billion. Payments to veterans will amount to six billion. We cannot reduce taxes and at the same time pay these obligations along with billions of dollars for special treatment for this or that group. In my opinion, a small taxpayers'

strike is in prospect in the not too distant future. We all think taxes are high now, and they are, but if the Congress permits continued raids on the Treasury for every high-sounding plan that comes along, they will have to be even higher.

Surely, this is the time for the exercise of common sense. Do not be swept away by eloquent but unsound arguments.

Mr. Tawney, minority clerk of Ways and Means Committee, has prepared a discussion of Federal Employees Compensation as follows:

Inauguration of the wage and salary stabilization program in October 1942 substituted very largely public control of wages and salaries in all major industries for private regulation by individual employers. In launching the program, the President, by a series of Executive orders issued under the Stabilization Act of October 2, 1942, conferred over-all jurisdiction of the program in the newly created Office of Economic Stabilization which, in turn, was established in the Office for Emergency Management.

The initial major step, following establishment of broad administrative policies, was the classification of employers and employees into certain categories and the assignment of jurisdiction over these classes to specific Government agencies for the purpose of carrying out the stabilization plan. In this process, Federal employees became divided into two broad groups, "graded" and "ungraded", the former consisting of employees whose wages were fixed by law, the later embracing those whose work was compensated on a prevailing rate basis.

Under regulation No. 4001.2, the Director of Economic Stabilization authorized the National War Labor Board to administer the program with respect to all employees covered under the program who were receiving less than \$5,000 per annum, who were represented by a labor union and not engaged in work of an executive, administrative or professional character. The Commissioner of Internal Revenue was given jurisdiction over employees receiving more than \$5,000 per annum, or whose work was of an executive, administrative or professional character and no labor union was involved. Similarly the War Food Administration was given jurisdiction over agricultural employees. Federal, State and other public employees whose compensation was fixed by statute, under regulation No. 4001.18 were expressly exempt from the operation of the wage and salary stabilization program.

Accordingly we find in the case of so-called industrial war workers employed by the Government, paid on a prevailing rate basis and receiving less than \$5,000, the National War Labor Board given exclusive jurisdiction in determining their rates of compensation. On the other hand, Federal employees coming under the Classification Act of 1923 and those employed under so-called war-service appointments who are not in the classified service but whose compensation is fixed by law, are totally exempt from the operation of the wage-stabilization program. Nevertheless, both groups of Federal employees, the industrial or ungraded and the classified or graded group, being employees of the Federal Government are subject to certain basic civil-service provisions and requirements, sharing equally in respect to annual and sick leave privileges, for example, to retirement privileges, freedom from garnishment proceedings, and similar advantages.

In the application of the stabilization program to Federal employees in the ungraded class, it was deemed advisable by the National War Labor Board to delegate its authority to certain wage-administration units within various departments and establishments of the Government employing personnel of this class on a prevailing rate-pay basis. Ac-

cordingly, in a series of general orders, the Board created such units in the Departments of War, Navy, Agriculture, Treasury, and in certain independent agencies, notably the Tennessee Valley Authority.

These departmental units are, in effect, regional war labor boards, operating as such in a direct relationship with the National War Labor Board. The regular regional war labor boards created before the wage-stabilization program came into effect, operate with respect to that class coming within the Board's exclusive jurisdiction who are employed in three types of establishments: (1) Government-owned, privately operated, (2) privately owned, Government operated, and (3) privately owned, privately operated. The departmental wage-administration units are concerned solely with Federal employees of the same category employed in plants and facilities owned and operated by the Government.

The War Labor Board and its several regional boards and departmental branches are uniformly bound by certain zone wage-stabilization agreements as to basic rates of compensation. They approve wage-payment or salary-administration plans drawn by employers for their own plants, approve changes in pay rates, prepare schedules, and otherwise administer the program in their particular field. Both Federal and non-Federal wage earners are subject, accordingly, to identical base-pay schedules. Changes in rates affecting either group are immediately reflected in the schedules applicable to the other.

Beyond this point, however, certain differences occur in the conditions of employment between the Federal and non-Federal production workers. The most important of these, in the opinion of some wage administrators, is the Government's inability to pay its workers incentive or bonus compensation, other than certain premium pay allowed for extra hazardous work. Another factor operating to the disadvantage of the Federal employee, generally, is the Government's rule for computing overtime on the basis of a 40-hour workweek, rather than on the basis of an 8-hour day which is customary in private employment. This is the case particularly with per diem employees on a 40-hour week and ungraded employees paid on a monthly or per annum basis where the workweek is set at 48 hours. A small group of War Department employees, however, laborers and certain engineering workers, are exempt from this general rule in computing overtime under Executive Order No. 9290.

The prohibition against bonuses and premium pay is found in annual departmental appropriation acts. The following excerpt from the Naval Appropriation Act of 1945 has been described as typical:

"SEC. 105. No part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages except for suggestions resulting in improvements or economy in the operation of any Government plant."

Wage administrators point out that the principal advantages enjoyed by Federal employees engaged in production work are the following:

1. Annual leave, 12 working days each year plus 14 working days of accrued annual leave for each year of employment, which is granted on a 5-day week basis, with accrued leave being reimbursable in the form of

extra compensation upon termination of employment.

2. Sick leave, 15 working days each year at full pay.

3. Retirement benefits which are refundable under certain conditions, or if paid result in somewhat higher retirement benefits than allowed under other retirement systems.

4. In some cases higher compensation insurance benefits than may be obtained under State laws.

5. Wages and salaries not subject to garnishment.

In general, wage administrators point out that these advantages are not susceptible of easy measurement in terms of actual dollars and cents when compared with equivalent benefits received by non-Federal workers. Their relative value will vary with each individual case. State laws, for example, largely govern the value of the non-Federal worker's unemployment compensation and retirement or injury benefits. In the matter of paid vacations, the value of these will vary with the management policy of his particular employer.

In the opinion of competent observers the outstanding disadvantages experienced by Federal workers in the ungraded class are: (1) The lack of bonus or incentive compensation, and (2) the computation of overtime on a work-week basis. In all other respects they believe the Federal and non-Federal employee, performing equivalent work in mines, arsenals, shipyards, and similar production facilities are substantially on a par with one another and that the Federal employee, although not receiving unemployment compensation as such receives equivalent or nearly equivalent privileges.

THE SPEAKER. The time of the gentleman from Oklahoma has expired, all time has expired.

Without objection, the previous question is ordered.

There was no objection.

THE SPEAKER. The question is on the motion of the gentleman from North Carolina.

MR. DOUGHTON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The Clerk called the roll; and there were—yeas 174, nays 156, answered "Present" 0, not voting 101, as follows:

[Roll No. 113]

YEAS—174

Abernethy	Cole, N. Y.	Gwynne
Allen, Ill.	Compton	Hall.
Andersen,	Cooley	Leonard W.
H. Carl	Cooper	Hancock
Andrews, Ala.	Costello	Hare
Andrews, N. Y.	Cox	Harness, Ind.
Arends	Cravens	Harris, Ark.
Arnold	Crawford	Hébert
Auchincloss	Dirksen	Heldinger
Baldwin, Md.	Disney	Hess
Barden	Dondero	Hill
Barrett	Doughton	Hobbs
Bates, Mass.	Drewry	Hoffman
Bishop	Durham	Holmes, Mass.
Bland	Dworshak	Hope
Bonner	Ellis	Howell
Boren	Elston, Ohio	Jarman
Brown, Ga.	Fellows	Jenkins
Brown, Ohio	Fuller	Jennings
Brumbaugh	Fulmer	Jensen
Bryson	Gamble	Johnson,
Buck	Gathings	Anton J.
Buffett	Gavin	Johnson,
Bulwinkle	Gearhart	Calvin D.
Butler	Gillette	Johnson,
Camp	Gillie	J. Leroy
Cannon, Fla.	Goodwin	Johnson,
Carlson, Kans.	Gore	Luther A.
Carson, Ohio	Gossett	Johnson, Okla.
Chapman	Graham	Jones
Chenoweth	Grant, Ala.	Jonkman
Chiperfield	Grant, Ind.	Kean
Church	Gregory	Kerr
Clevenger	Griffiths	Kilburn
Cole, Mo.	Gross	Klinzer

Kleberg
Knutson
Landis
Lanham
LeFevre
McConnell
McCowan
McGehee
McGregor
McMillan, S. C.
McMillen, Ill.
McWilliams
Maas
Manasco
Mansfield, Tex.
Martin, Iowa
Mason
May
Merrow
Michener
Milier, Nebr.
Miller, Pa.
Mills
Monkiewicz
Morrison, N. C.

Murray, Tenn.
Newsome
O'Konski
Pace
Patton
Peterson, Ga.
Plumley
Price
Rankin
Reed, Ill.
Reed, N. Y.
Rees, Kans.
Rivers
Rockwell
Rodgers, Pa.
Scrivner
Short
Simpson, Ill.
Simpson, Pa.
Smith, Ohio
Sparkman
Springer
Starnes, Ala.
Stewart
Stigler

Sumner, Ill.
Summers, Tex.
Sundstrom
Taber
Talle
Tarver
Thomas, N. J.
Tibbott
Troutman
Vincent, Ky.
Vorys, Ohio
Vursell
Ward
Weichel, Ohio
West
Whelchel, Ga.
Whitten
Whittington
Wigglesworth
Wilson
Winstead
Winter
Wolcott
Woodruff, Mich.
Zimmerman

NAYS—156

Allen, La.
Anderson, Calif.
Anderson, N. Mex.
Angell
Baldwin, N. Y.
Beall
Beckworth
Bender
Bloom
Bradley, Pa.
Buckley
Burch, Va.
Burchill, N. Y.
Burdick
Byrne
Canfield
Cannon, Mo.
Capozzoli
Celler
Cochran
Coffee
Colmer
Crosier
Cunningham
Curley
D'Alesandro
Davis
Dawson
Day
Deaney
Dilweg
Dingell
Eaton
Eberharter
Ellison, Md.
Engel, Mich.
Fay
Feighan
Fenton
Fernandez
Fish
Flannagan
Fogarty
Folger
Forand
Gerlach
Gillespie
Gordon
Gorski
Green
Hale
Hall
Edwin Arthur

Harless, Ariz.
Hart
Heffernan
Herter
Hinshaw
Hoch
Hull
Jeffrey
Johnson, Ind.
Johnson
Lyndon B.
Kearney
Kee
Keefe
Kefauver
Kelley
Keogh
Kilday
King
Kirwan
LaFollette
Lane
Larcade
Lea
Lesinski
Lewie
Luca
Ludlow
Lynch
McCormack
McMurray
Madden
Magnuson
Mahon
Maloney
Mansfield, Mont.
Marcantonio
Martin, Mass.
Merritt
Miller, Conn.
Monroney
Mott
Mruk
Murdock
Murphy
Murray, Wis.
Myers
Norman
Norton
O'Brien, Ill.
O'Brien, Mich.
O'Hara
O'Toole

Outland
Pfeifer
Pfeiser
Phillips
Pittenger
Powers
Pracht
C. Frederick Pratt
Joseph M. Priest
Rabaut
Ramey
Ramspeck
Randolph
Robertson
Robinson, Utah
Rohrbough
Rolph
Rooney
Rowan
Rowe
Sadowski
Sasser
Satterfield
Scanlon
Schiffler
Scott
Shafer
Sheridan
Smith, Maine
Smith, Va.
Smith, Wis.
Snyder
Somers, N. Y.
Spence
Stanley
Stearns, N. H.
Talbot
Taylor
Thomas, Tex.
Thomason
Torrens
Towe
Voorhis, Calif.
Walter
Wene
White
Wickersham
Wolfenden, Pa.
Wolverton, N. J.
Woodrum, Va.
Worley
Wright

NOT VOTING—101

Andresen,
August H.
Barry
Bates, Ky.
Bell
Bennett, Mich.
Bennett, Mo.
Blackney
Bolton
Boykin
Bradley, Mich.
Brehm
Brooks
Burgin
Busbey
Carrier
Carter
Case
Clark
Clason
Courtney
Curtis

Dewey
Dickstein
Dies
Douglas
Ellsworth
Elmer
Engle, Calif.
Fisher
Fitzpatrick
Ford
Fulbright
Furlong
Gale
Gallagher
Gibson
Gifford
Gilchrist
Granger
Hagen
Halleck
Harris, Va.

Hartley
Hays
Hendricks
Hoeven
Hollifield
Holmes, Wash.
Horan
Izac
Jackson
Johnson, Ward
Judd
Kennedy
Klein
Kunkel
Lambertson
LeCompte
Lemke
McCord
McKenzie
McLean
Miller, Mo.
Morrison, La.

Mundt
Norrell
O'Brien, N. Y.
O'Connor
O'Neal
Patman
Phillips
Ploeser
Poage
Poulson
Reece, Tenn.
Richards

Rizley
Robison, Ky.
Rogers, Mass.
Russell
Sabath
Sauthoff
Schwabe
Sheppard
Sikes
Slaughter
Smith, W. Va.
Stefan

Stevenson
Stockman
Sullivan
Tolan
Treadway
Vinson, Ga.
Wadsworth
Wasielewski
Weaver
Weiss
Welch
Willey

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Ploeser for, with Mr. Morrison of Louisiana against.
Mr. Hoeven for, with Mr. Poulson against.
Mr. Miller of Missouri for, with Mr. Tolan against.
Mr. Wadsworth for, with Mr. Lemke against.
Mr. Elmer for, with Mr. Sabath against.
Mr. Halleck for, with Mr. Gallagher against.
Mr. Schwabe for, with Mr. Hollifield against.
Mr. Dewey for, with Mr. Izac against.
Mr. Stevenson for, with Mr. Dickstein against.
Mr. Norrell for, with Mr. Weiss against.
Mr. Bennett of Missouri for, with Mr. Ford against.
Mr. Bradley of Michigan for, with Mr. Granger against.
Mr. Fulbright for, with Mr. Sauthoff against.
Mr. Curtis for, with Mr. O'Connor against.
Mr. Courtney for, with Mr. Wasielewski against.

Until further notice:

Mr. Richards with Mr. Stefan.
Mr. Sheppard with Mr. Douglas.
Mr. Weaver with Mr. Brehm.
Mr. Slaughter with Mr. Willey.
Mr. Hendricks with Mr. Horan.
Mr. Engle of California with Mr. Phillips.
Mr. McCord with Mr. Holmes of Washington.
Mr. Smith of West Virginia with Mr. Stockman.
Mr. Bell with Mr. O'Brien of New York.
Mr. O'Neal with Mr. Carrier.
Mr. Sullivan with Mr. LeCompte.
Mr. Poage with Mr. Kunkel.
Mr. Sikes with Mr. Judd.
Mr. Gibson with Mr. Ward Johnson.
Mr. McKenzie with Mr. Gifford.
Mr. Fitzpatrick with Mr. Ellsworth.
Mr. Clark with Mr. Reece of Tennessee.
Mr. Fisher with Mr. Mundt.
Mr. Hays with Mr. Robison of Kentucky.
Mr. Burgin with Mr. Welch.
Mr. Elliott with Mr. Rizley.
Mr. Boykin with Mr. Hartley.
Mr. Russell with Mr. Gale.
Mr. Bates of Kentucky with Mr. Clason.
Mr. Jackson with Mr. Blackney.
Mr. Brooks with Mr. Busbey.
Mr. Vinson of Georgia with Mrs. Bolton.

Mr. WOODRUM of Virginia changed his vote from yea to nay.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the war mobilization and reconversion bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

SURPLUS PROPERTY DISPOSAL

The SPEAKER. The Chair recognizes the gentleman from Alabama.

Mr. MANASCO. Mr. Speaker, I call up the conference report on the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes.

The Clerk read the title of the bill.

The conference report reads as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5125) to provide for the disposal of surplus Government property and plants, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Surplus Property Act of 1944.'"

"OBJECTIVES

"Sec. 2. The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as—

"(a) to assure the most effective use of such property for war purposes and the common defense;

"(b) to give maximum aid in the reestablishment of a peacetime economy of free independent private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment;

"(c) to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

"(d) to discourage monopolistic practices and to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise;

"(e) to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture;

"(f) to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises;

"(g) to encourage and foster post-war employment opportunities;

"(h) to assure the sale of surplus property in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes;

"(i) to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of surplus property in other countries;

"(j) to avoid dislocations of the domestic economy and of international economic relations;

"(k) to foster the wide distribution of surplus commodities to consumers at fair prices;

"(l) to effect broad and equitable distribution of surplus property;

"(m) to achieve the prompt and full utilization of surplus property at fair prices to

the consumer through disposal at home and abroad with due regard for the protection of free markets and competitive prices from dislocation resulting from uncontrolled dumping;

"(n) to utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this Act (without discriminating against the establishment of new enterprises);

"(o) to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country;

"(p) to foster the development of new independent enterprise;

"(q) to prevent insofar as possible unusual and excessive profits being made out of surplus property;

"(r) to dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property, and to facilitate prompt redistribution of such property to consumers;

"(s) to dispose of surplus Government-owned transportation facilities and equipment in such manner as to promote an adequate and economical national transportation system; and

"(t) except as otherwise provided, to obtain for the Government, as nearly as possible, the fair value of surplus property upon its disposition.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(a) The term 'Government agency' means any executive department, board, bureau, commission, or other agency in the executive branch of the Federal Government, or any corporation wholly owned (either directly or through one or more corporations) by the United States.

"(b) The term 'owning agency', in the case of any property, means the executive department, the independent agency in the executive branch of the Federal Government, or the corporation (if a Government agency), having control of such property, otherwise than solely as a disposal agency.

"(c) The term 'disposal agency' means any Government agency designated under section 10 to dispose of one or more classes of surplus property.

"(d) The term 'property' means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located, but does not include (1) the public domain, or such lands withdrawn or reserved from the public domain as the Surplus Property Board (created by section 5) determines are suitable for return to the public domain for disposition under the general land laws, or (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

"(e) The term 'surplus property' means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 11.

"(f) The term 'contractor inventory' means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

"(g) The term 'care and handling' includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting, and, in the case of

property which is dangerous to public health or safety, destroying, or rendering innocuous, such property.

"(h) The term 'person' means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

"(i) The term 'State' includes the several States, Territories, and possessions of the United States, and the District of Columbia.

"(j) The term 'tax-supported institution' means any scientific, literary, educational, public-health, or public-welfare institution which is supported in whole or in part through the use of funds derived from taxation by the United States, or by any State or political subdivision thereof.

"(k) The term 'veteran' means any person in the active military or naval service of the United States during the present war, or any person who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under honorable conditions.

"DISPOSITION OF SURPLUS PROPERTY—GENERAL RULE

"SEC. 4. Surplus property shall be disposed of to such extent, at such times, in such areas, by such agencies, at such prices, upon such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

"SURPLUS PROPERTY BOARD

"SEC. 5. (a) There is hereby established in the Office of War Mobilization, and in its successor, a Surplus Property Board (hereinafter called the 'Board'), which shall be composed of three members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The term of office of the members shall be two years, except that the term of office of the members first appointed shall expire two years from the date of the enactment of this Act, and the next succeeding terms shall then begin, and any person appointed to fill a vacancy caused by the death, resignation, or removal of a member prior to the expiration of the term of such member shall be appointed only for such unexpired term. The President shall designate one of the members of the Board as Chairman.

"(b) The Board may, within the limits of funds which may be made available, appoint and fix the compensation of such officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, the Board may appoint such special assistants, and may employ such certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and may contract with such certified public accounting firms and qualified firms of engineers, as may be necessary to carry out its functions.

"DUTIES AND AUTHORITY OF BOARD

"SEC. 6. The activities of the Board shall be coordinated with the programs of the armed forces of the United States in the interests of the war effort. Until peace is concluded the needs of the armed forces are hereby declared and shall remain paramount. The Board shall have general supervision and direction, as provided in this Act, over (1) the care and handling and disposition of surplus property, and (2) the transfer of surplus property between Government agencies.

"COOPERATION WITH INTERESTED GOVERNMENT AGENCIES

"SEC. 7. The Board shall advise and consult with other interested Government agencies

with a view to obtaining all aid and assistance possible in coordinating the functions of the several agencies affected by the disposition of surplus property.

"DELEGATION OF AUTHORITY

"SEC. 8. The head of any Government agency, except the Board, may delegate, and authorize successive redelegations of, any authority conferred upon him or his agency, by or pursuant to this Act to any officer, agent, or employee of such agency or, with the approval of the Board, to any other Government agency.

"REGULATIONS

"SEC. 9. (a) The Board shall prescribe regulations to effectuate the provisions of this Act. In formulating such regulations, the Board shall be guided by the objectives of this Act.

"(b) Regulations issued pursuant to subsection (a) may, except as otherwise provided in this Act, contain provisions prescribing the extent to which, the times at which, the areas in which, the agencies by which, the prices at which, and the terms and conditions under which, surplus property may be disposed of, and the extent to which and the conditions under which surplus property shall be subject to care and handling.

"(c) Each Government agency shall carry out regulations of the Board expeditiously and shall issue such further regulations, not inconsistent with the regulations of the Board, as it deems necessary or desirable to carry out the provisions of this Act.

"(d) Regulations prescribed under this Act shall be published in the Federal Register.

"DESIGNATION OF DISPOSAL AGENCIES

"SEC. 10. (a) Except as provided in subsection (b) of this section, the Board shall designate one or more Government agencies to act as disposal agencies under this Act. In exercising its authority to designate disposal agencies, the Board shall assign surplus property for disposal by the fewest number of Government agencies practicable and, so far as it deems feasible, shall centralize in one disposal agency responsibility for the disposal of all property of the same type or class.

"(b) The United States Maritime Commission shall be the sole disposal agency for surplus vessels which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act of 1936, as amended, and other laws authorizing the sale of such vessels.

"DECLARATION AND DISPOSITION OF SURPLUS PROPERTY

"SEC. 11. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities.

"(b) Each owning agency shall promptly report to the Board and the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 14.

"(c) Whenever in the course of the performance of its duties under this Act, the Board has reason to believe that any owning agency has property in its control which is surplus to its needs and responsibilities and which it has not reported as such, the Board shall promptly report that fact to the Senate and House of Representatives. Each owning agency and each disposal agency shall submit to the Board (1) such information and reports with respect to surplus property in the control of the agency, in such form, and at such reasonable times, as the Board may direct; (2) such information and reports with respect to other property in the control of the agency, to such extent, and in such form, as the Board may direct and as the

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued September 20, 1944, for actions of Tuesday, September 19, 1944)

(For staff of the Department only)

CONTENTS

Banking and currency.....6	Labor.....8,10	Public works.....8,12
Cooperatives.....1	Lands, public.....1,3	Rationing.....23
Electrification.....1,12	Personnel.....3,8,10,21	Rubber.....4
Flood control.....2,12	Post-war planning.....8	Surplus property.....1
Food adm. (general).....11	10,12,19,20	Transportation.....1,12,13,19
Food production.....7	Price supports.....7	Travel.....1
Foreign relief.....16,18	Printing.....17	Veterans.....15
Forestry.....1	Property management.....1,8,20	War effort.....14
3,4,5,9,12,19,22	Public debt.....1	Water conservation.....2

SENATE

1. PROPERTY MANAGEMENT. Agreed to the conference report on H.R. 5125, the surplus-property disposal bill (pp. 8013-9, 8037-47). (For provisions see Digest 150a.) This bill will now be sent to the President.
Sens. Barkley, Ky., Johnson, Colo., and Aiken, Vt., discussed the policies under this bill for the disposal of passenger vehicles and as to the availability of surplus property to REA cooperatives (pp. 8038-9). Sens. Thomas, Okla., and Austin, Vt., discussed the provision relating to the sale price of real property acquired by the U. S. as it affects the value of farm lands which now have no value (pp. 8041-2). Sen. McKellar, Tenn., criticized the elimination of the provision in the bill that gave the Surplus Property Board "complete authority... for the sale of surplus property" (p. 8043). Sen. George, Ga., questioned the status of land purchased under the Weeks law which the FS may wish to exchange for other lands, and Sen. O'Mahoney, Wyo., stated, "It cannot become surplus unless the Forest Service declare it to be surplus" (pp. 8043-4). Sen. Wherry, Nebr., discussed the eliminated Senate provision that required that proceeds for surplus-property sales be applied on the public debt (pp. 8044-6).
Received the President's 2nd quarterly report concerning surplus Government property and materials no longer needed for war purposes (S. Doc. 239). To Military Affairs Committee. (p. 7987.)
2. WATER CONSERVATION. Sen. O'Mahoney, Wyo., inserted resolutions of the Water Conservation Conference recommending modifications of the amendments to H.R. 4485, the Whittington flood-control bill, and H.R. 3961, the rivers and harbors bill (pp. 7988-91).
Sen. Taft, Ohio, submitted an amendment which he intends to propose to H.R. 4485, the Whittington flood-control bill (p. 7993).
3. PUBLIC LANDS; PERSONNEL; FORESTRY. Public Lands and Surveys Committee submitted a report pursuant to S. Res. 319, which requires Senate Committees to report the names of persons employed by the committees who are not full-time employees of

the Senate or of such committee. This report contains the names of 2 FS employees. (pp. 7992, 8035-6.)

4. RUBBER; ALCOHOL. Sen. Gillette, Iowa, submitted the Agriculture and Forestry Subcommittee's report on the investigation of expanded utilization of farm crops and forestry products for the manufacture of synthetic rubber and industrial alcohol (S. Doc. 240) (pp. 7993-7).
5. FORESTRY. Sen. Gillette, Iowa, inserted Irving Brant's letter commending former Rep. Lacey's conservation work and criticizing efforts to abolish the Jackson Hole National Monument (pp. 7997-8).
6. BANKING AND CURRENCY. Sen. Scrugham, Nev., urged support for his bill S. 2125, to provide that all gold and silver domestically produced which may be in excess of war needs may be sold in foreign markets (pp. 8000-2).
7. PRICE SUPPORTS; MEAT PRODUCTION. Sen. Gillette, Iowa., commended WFA's recommendation for continuation of the present support price for hogs and criticized the "treatment" that the hog producers "receive at the hands of" OPA (pp. 8036-7).
8. POST-WAR PLANNING. Agreed to the conference report on S. 2051, the demobilization-reconversion bill (pp. 8052-6). The House received the conference report (pp. 8053-6). The bill, as reported by the conferees, establishes the Office of War Mobilization and Reconversion, to include the Office of Contract Settlement (created by the Contract Settlement Act of 1944), the Surplus Property Board (proposed by H. R. 5125, which is awaiting the President's approval), the Surplus War Property Administration (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Retraining and Reemployment Administration; makes provision for the Director of War Mobilization and Reconversion; provides for termination of war contracts when war needs have been satisfied unless the Office of War Mobilization finds that the continuation of the work will benefit the Government or is necessary to avoid substantial physical injury to a plant or property; provides for Federal advances to State unemployment funds, if they become impaired, for unemployment insurance until June 30, 1947; authorizes the Federal Works Administrator to make loans or advances to States to aid in financing public-works planning; and provides for the termination of this act on June 30, 1947.

Sen. George, Ga., announced that the provision for the transportation of war workers and for unemployment compensation for Federal employees were finally eliminated in order to inaugurate the general program (p. 8005).

HOUSE

9. FORESTRY. Rep. Barrett, Wyo., criticized the method by which the land now in the Jackson Hole National Monument was acquired and the administration of this area by the Department of Interior (pp. 8066-8).
10. PERSONNEL; DEMOBILIZATION. Rep. Taber, N. Y., announced the release of the President's letter to the Budget Bureau (see last item in Digest) and urged immediate reduction in the number of Federal employees, stating, "What we need is action by the Budget now to get rid of these surplus employees and get them off the pay roll and back into productive employment while there is a shortage of labor" (p. 8061).

Rep. Dworshak, Idaho, criticized the President's recommendation, in his letter to the Budget Bureau, that "action must be deferred until after the termination of hostilities," and inserted figures giving the number of Federal

from Arizona [Mr. McFARLAND], the Senators from Utah [Mr. MURDOCK and Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from Louisiana [Mr. OVERTON], the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. TRUMAN], and the Senator from Washington [Mr. WALLGREN] are detained on public business.

The Senator from Kentucky [Mr. CHANDLER], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Louisiana [Mr. ELLENDER] are necessarily absent.

Mr. WHERRY. The Senator from Oregon [Mr. HOLMAN], the Senator from North Dakota [Mr. NYE], the Senator from Massachusetts [Mr. WEEKS], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from Pennsylvania [Mr. DAVIS] and the Senator from New Hampshire [Mr. TOBEY] are absent on official business.

The Senator from Oklahoma [Mr. MOORE] is unavoidably absent.

The VICE PRESIDENT. Sixty-six Senators have answered to their names. A quorum is present.

EXTENSION OF UNEMPLOYMENT COMPENSATION—CONFERENCE REPORT

Mr. GEORGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

"SECTION 101. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the "Director"). The Director shall be appointed by the President, by and with the advice and consent of the Senate shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of two years.

"(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion and shall exercise their functions subject to the general supervision of the Director:

"(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

"(2) Surplus War Property Administration, created by Executive Order Numbered 9425 (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Surplus Property Board created by the Surplus Property Act of 1944.

"(3) Retraining and Reemployment Administration, created by Executive Order Numbered 9427 (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Retraining and Reemployment Administration created by title III of this Act.

"Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to the

agencies placed within his office or with respect to other agencies not specifically placed within his office.

"(c) In addition to any powers which the President is authorized to and does delegate to the Director for the purpose of more effectively coordinating the mobilization of the Nation for war, the Director shall, subject to the direction of the President—

"(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace;

"(2) issue such orders and regulations to executive agencies as may be necessary to provide for the exercise of their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the orders and regulations of the Director expeditiously and, to the extent necessary to carry out such orders and regulations, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities to carry out any plans formulated under this section which are not within the scope of the powers possessed by the President or the executive agencies under provisions of law other than this section;

"(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

"(4) promote and assist in the development of demobilization and reconversion plans by executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between executive agencies in the development and administration of such plans;

"(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of executive agencies which exist under Executive order only, and for the relaxation or removal of emergency war controls;

"(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

"(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning the problems arising out of the transition from war to peace; and

"(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this Act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

"(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such Deputy Directors and other officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out his functions. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with

the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other executive agencies; and for that purpose only he is authorized to delegate to the appropriate agencies and provide for the redelegation of the powers and duties vested in him, except the power to issue orders and regulations to other executive agencies. The Director may require such reports and information from executive agencies as he deems necessary to enable him to carry out his functions under this Act, and each executive agency shall furnish any information and reports so required.

"SEC. 102. (a) There is hereby created an advisory board, which shall consist of twelve members who shall be appointed by the President by and with the advice and consent of the Senate. All of the members of the Board shall represent the general public and the public interest, but in order that the Board may have the benefit of experience in the matters with which it will deal under this Act, three members of the Board shall have had experience in business management, three members shall have had experience in matters relating to labor, and three members shall have had experience in agriculture. The President shall designate one of the remaining three members as chairman of the Board.

"(b) It shall be the general function of the Board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary.

"(c) Members of the Board shall receive a per diem allowance of \$25 for each day spent in actual meetings of the Board or at conferences held upon the call of the Director, plus necessary traveling and other expenses incurred while so engaged.

"TITLE II—DEMOBILIZATION AND RECONVERSION POLICIES

"SEC. 201. The War and Navy Departments shall not retain persons in the armed forces for the purpose of preventing unemployment or awaiting opportunities for employment.

"SEC. 202. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the Office of War Mobilization and Reconversion finds that the continuation of some or all of the work in process under any such contract will benefit the Government or is necessary to avoid substantial physical injury to a plant or property.

"SEC. 203. Curtailment of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

"(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

"(b) the executive agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use

whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

"(c) the Director shall—

"(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination.

"(2) establish policies providing for full and prompt consultation between the executive agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

"SEC. 204. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by any executive agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

"(b) Whenever such executive agency allocates available materials for the production of any item or group of items for nonwar use, it shall make available a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation and shall be fair and equitable.

"(c) In allocating the materials thus set aside among such small plants, such executive agency shall establish criteria, standards, quotas, schedules, or other conditioning factors after consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such executive agency shall allocate such materials directly to such small plants and shall, to the fullest extent practicable, provide for making such allocations through local offices easily accessible to such small plants. For the purposes of this title, a small plant means any small business concern engaged primarily in production or manufacturing either employing two hundred and fifty wage earners or less, or coming within such other categories as may be established by the head of such executive agency in consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such other categories shall be defined by taking into consideration the comparative sizes of establishments in a particular industry as reflected by sales volumes, quantities of materials consumed, capital investments, or by other criteria which are reasonably attributable to small plants rather than medium or large size plants.

"SEC. 205. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within ninety days after the approval of this Act, and at such times thereafter as he deems desirable,

reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

"TITLE III—RETRAINING AND REEMPLOYMENT

"SEC. 301. There is hereby established a Retraining and Reemployment Administration (hereinafter referred to as the 'Administration'), the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, shall be exercised by a Retraining and Reemployment Administrator (hereinafter in this title referred to as the 'Administrator'), to be appointed by the President, by and with the advice and consent of the Senate, and to receive a salary at the rate of \$12,000 per annum. The same person may serve as Administrator and as Administrator of Veterans' Affairs, but in such case he shall receive only the salary provided by this section.

"SEC. 302. It shall be the function of the Administration—

"(a) to have general supervision and direction of the activities of all existing executive agencies (except the Veterans' Administration and the Administrator of Veterans' Affairs) authorized by law relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating such activities and eliminating overlapping functions of such agencies. To the extent necessary to achieve such purposes the Administrator shall have power to issue regulations in connection with the work of such executive agencies, but nothing in this title shall be deemed to confer any power or authority upon any such agency or authorize any activities by any such agency not authorized by provisions of law other than this title, or to extend any existing power beyond the date upon which it would otherwise expire; and

"(b) to confer with existing State and local agencies and officials in charge of existing programs relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating the activities of existing Federal agencies with the activities of such State and local agencies.

"SEC. 303. The Administrator shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Administrators and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Administration. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Assistant Administrators and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Administrator shall perform the duties imposed upon him through the facilities and personnel of other executive agencies.

"TITLE IV—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 401. (a) Section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: 'or deposited pursuant to appropriations to the Federal unemployment account'.

"(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words 'a separate book account for such State agency' a comma and the following: 'the Federal unemployment account'.

"(c) Section 904 of the Social Security Act, as amended, is further amended by adding, at

the end of the section, the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers from the Federal unemployment account to the account of any State in the Unemployment Trust Fund in accordance with certification made by the Board pursuant to section 1207, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this Act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of title XII. Any amounts in the Federal unemployment account on October 1, 1947, and any amounts repaid to such account after such date, shall be covered into the general fund of the Treasury. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this Act, for the administration of that title by the Board, and for the administration of title IX of this Act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this Act, the sum of \$40,561,886.43 which was authorized to be appropriated by the Act of August 24, 1937 (50 Stat. 754).

"SEC. 402. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 1201. (a) In the event that the balance in a State's account in the Unemployment Trust Fund on June 30, 1945, or on the last day in any ensuing calendar quarter which ends prior to July 1, 1947, does not exceed a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the Unemployment Trust Fund an amount equal to the amount by which the unemployment compensation paid out by it in the calendar quarter ending on such day exceeded 2.7 per centum of the total remuneration which was paid during such quarter and was subject to the State unemployment compensation law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such

quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment fund of such State and shall be repaid to the Federal unemployment account from the unemployment fund of that State to the extent that the balance in the State's account in the Unemployment Trust Fund, at the end of any calendar quarter, exceeds a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher. The Secretary of the Treasury shall, after the end of each calendar quarter, transfer from the unemployment account of each State in the Unemployment Trust Fund to the Federal unemployment account the amount required to be repaid from the unemployment fund of such State at the end of such quarter under this subsection."

"TITLE V—PUBLIC WORKS

"Sec. 501. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

"(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 per centum in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 per centum according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 per centum of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by competent State, local, or regional authority.

"(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

"(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

"(e) As used in this section, the term 'State' shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico.

"TITLE VI—MISCELLANEOUS PROVISIONS

"Sec. 601. When used in this Act—

"(a) The term 'executive agency' means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

"(b) The term 'contracting agency' means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

"Sec. 602. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this Act.

"Sec. 603. The provisions of this Act shall terminate on June 30, 1947.

"Sec. 604. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

"Sec. 605. (a) When the Director first appointed under section 101 has taken office, the Office of War Mobilization established by Executive Order Numbered 9347, dated May 27, 1943, not including the Surplus War Property Administration or the Retraining and Reemployment Administration, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Office of War Mobilization and Reconversion.

"(b) When a majority of the members of the Surplus Property Board first appointed under the Surplus Property Act of 1944 have taken office, the Surplus War Property Administration created by Executive Order Numbered 9425 shall cease to exist; and such records and office equipment of the Surplus War Property Administration, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Surplus Property Board.

"(c) When the Retraining and Reemployment Administrator first appointed under section 301 has taken office, the Retraining and Reemployment Administration created by Executive Order Numbered 9427, shall cease to exist; and such records and property of the Administration created by such Executive order, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Retraining and Reemployment Administration established by this Act.

"Sec. 606. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by operation of law.

"Sec. 607. This Act may be cited as the 'War Mobilization and Reconversion Act of 1944.'" And the House agree to the same.

WALTER F. GEORGE,
DAVID I. WALSH,
ALBEN W. BARKLEY,
A. H. VANDENBERG,
ROBERT TAFT,

Managers on the part of the Senate.

R. L. DOUGHTON,
JERE COOPER,
WESLEY E. DISNEY,
JOHN D. DINGELL,
HAROLD KNUSTON,
DANIEL A. REED,
ROY O. WOODRUFF,

Managers on the part of the House.

Mr. GEORGE. Mr. President, I send to the desk, and ask to have read, a statement on the part of the Senate conferees, which will explain precisely the effect of the conference report.

The VICE PRESIDENT. Without objection, the statement will be read.

The Chief Clerk read as follows:

SEPTEMBER 19, 1944.

STATEMENT OF THE CONFEREES ON THE PART OF THE SENATE

The committee of conference on the disagreeing votes of the two Houses to the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, reached satisfactory agreement on all differences between the two Houses except as to two points.

The House struck from the bill as it passed the Senate section 303 providing transportation for migratory war workers and section 403 providing unemployment compensation for Federal employees. We insisted upon the retention of these two provisions in the bill and upon failure to secure an agreement on this basis insisted upon the question being passed upon by the House.

The House having voted to insist upon its disagreement, we were confronted with two alternatives—to accept the provisions of the bill upon which there was agreement, or have no bill at all.

Title I of the bill sets up an Office of War Mobilization and Reconversion to coordinate all of the activities of the various agencies dealing with these problems. It is believed that such an office is vitally necessary to the orderly reconversion from war to peace.

Title II prescribes sound policies to be followed by the Office of War Mobilization and Reconversion in the transition from war to peace.

Title III provides for the coordination of the activities of all agencies dealing with employment and vocational training.

Title IV provides for a revolving loan fund to guarantee the solvency of all of the State unemployment compensation funds.

Title V provides for advances to States and their political subdivisions for architectural and engineering fees for the planning of public works.

Feeling that it is vital that titles I and II be enacted and that the other titles are very desirable, we reluctantly receded from the Senate position.

We deplore the fact that it was not possible, in this bill, to care for these two highly desirable steps in the program for human demobilization but call attention to the fact that the way is still open to enact these two provisions by separate legislation.

WALTER F. GEORGE,
ALBEN W. BARKLEY,
DAVID I. WALSH,
A. H. VANDENBERG,
ROBERT A. TAFT,

Managers on the part of the Senate.

Mr. GEORGE. Mr. President, it will be seen from this statement, which is signed by all the conferees on the part of the Senate, in the nature of a report from the conferees to the Senate, that the two principal features of the bill on which the House disagreed, and on which the House took separate record votes yesterday, one relating to the transportation costs of workers engaged in war work, and the other relating to unemployment compensation for civilian Government employees, were finally eliminated in order that we might inaugurate the general program

recommended by various committees of the Congress, but especially by the Senate Special Committee on Post-war Economic Policy and Planning, as early as November last year, and subsequently expanded in a report filed with the Senate even before the publication of the report known as the Baruch-Hancock report.

The general program set up in the bill as it comes from conference, with respect to the over-all central agency, is in substantial accord with the recommendations made by the Senate Special Committee on Post-war Economic Policy and Planning, and by Mr. Baruch in his more comprehensive report dealing with post-war problems and problems of reconversion from war to peace.

The conferees concluded that it was necessary to have this over-all agency set up in order that there might be merged into the central agency the Administrator of Contract Termination and Settlement, Plant Clearance, and such administrative agency as is provided in the conference report presently to be presented to the Senate, on disposal of surplus property and plants.

As this statement has emphasized, the Senate conferees most reluctantly agreed to recede from the position of the Senate with respect to the transportation of workers from the war areas of the country back to their homes, or to places where suitable job opportunities exist. Especially were we reluctant to recede from the Senate's position on unemployment compensation for civilian Federal workers. It is true, of course, that by separate legislation these and other phases of human demobilization in the period of transition back to peace may be dealt with; but we regret very much that we were compelled to eliminate from this bill the provisions to which I have particularly referred, and which are referred to in the report filed by all the conferees on the part of the Senate.

We do not indicate that we have abandoned the conviction that the Federal civilian employees should be cared for, that is, should be afforded unemployment compensation benefits, as the Senate originally decided, at the State levels and on the same conditions as the unemployment benefits for workers in covered employment in private industry. We believe that this was an eminently just provision; moreover, we are thoroughly convinced that it is in the interest of general economy. Actually the savings to the Government would be greater under some reasonable and adequate unemployment compensation system for Federal workers than if no such provision were made. The tendency undoubtedly will be—and it is a very understandable tendency—that the Federal authorities and agencies will be disposed to retain in their employ workers who have gone to work for the Government during the war period and who have been taken in on a temporary basis. The disposition to retain such workers will cost fully as much as, if not more than, the total cost of unemployment-compensation benefits at State levels and upon the same conditions as fixed for employ-

ers in covered industries within the States.

However, we were unable to persuade the House conferees to accept this view; and after insisting that the House conferees take the matter back to the House for a separate vote upon these two provisions, and the House having taken a separate record vote and instructed its conferees to insist upon the amendments made by the House, we most reluctantly eliminated these controversial provisions from the bill in order to set up the general over-all central authority essential for the guidance and direction of all the agencies of government which will be responsible for the important job of reconversion to peacetime conditions, as we approach the end of the war, and after the end of actual hostilities.

Mr. President, I believe that is all I have to say upon the subject at this time, except to call attention to the fact that the Senate receded because of the unyielding position taken by the House to one or two other provisions which were contained in the original Senate bill. One of them was with respect to a Board of Appeals to pass upon the question of priorities to small industries in the disposition of surplus war properties. That, however, was in part covered by a provision inserted by the House which gives to the Smaller War Plants Corporation a substantial recognition in requiring full consideration for the small business interests of the country in the distribution or disposal of surplus war materials. Another provision to which we most reluctantly acceded, and without requiring the House to take a separate vote on it—because the House had already voted upon it—was the provision for training or retraining for able-bodied workers; that is to say, workers who suffered no physical or mental defects and workers who were not in the categories of members of the armed forces. Of course, training or retraining is provided for all the men and women in the armed services, and there is also reasonable provision for State and Federal vocational training or retraining for the physically and mentally handicapped. But there is no provision in our law as it stands today, since we were compelled to eliminate the provision from the Senate bill in order to reach an agreement, for training of the able-bodied worker so as to fit him for some new type of work which may be available to him in peacetime.

Mr. President, I have no disposition further to expand my statement. I anticipate that individual members of the conference committee will desire to make statements with respect to the provision for transportation of workers and also relative to unemployment compensation for civilian Federal employees.

THE PRESIDING OFFICER (Mr. McCLELLAN in the chair). The question is, Shall the Senate proceed to the consideration of the report of the committee of conference on Senate bill 2051? Is there objection?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the

amendment of the House to the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

Mr. VANDENBERG. Mr. President, I should be less than frank with my colleagues if I did not state my personal view that this conference report in two particulars is substantially unsatisfactory. I say this with greatest respect for the earnestness and good faith of the House and its conferees. The fact remains, as indicated by the able senior Senator from Georgia [Mr. GEORGE] that in the final analysis the Senate conferees had no alternative, after the House voted by roll call yesterday, except to yield upon the two questions of travel allowances and unemployment compensation for Federal employees. We had no alternative except to yield, unless we were willing to sacrifice the essential legislation in titles I and II, which represent the creation of the over-all reconversion authority, which is the key to the entire, indispensable reconversion formula which Congress is undertaking to establish.

It was our united view, my own included, that we have no right to withhold our consent to titles I and II simply because of our very great disappointment that the House persisted in its hostility to the Senate's position in respect to unemployment insurance for Federal employees and travel allowances for migratory workers.

Mr. President, the direct human element in reconversion is not covered in this conference report. I repeat that it is a matter of regret to me and to all the other Senate conferees. However, it is a fact that we have saved a great, fundamental thing in respect to the human element which is the Federal guaranty of the solvency of all the State unemployment funds.

I wish particularly to emphasize the final sentence in the statement formally presented by the conferees. The two controversial subjects to which I have referred and to which the Senator from Georgia has referred are by no means dead because of this action. They are not dead so far as I am concerned, at any rate; and at the first opportunity I shall join in undertaking their resurrection.

Under the circumstances I say that the Senate conferees, after 2 weeks of uncompromising resistance to the attitude of the House, were finally forced into a position, by the roll-call votes in the House on yesterday, where we had to sacrifice the creation of the over-all reconversion authority or else yield to the view of the House in respect to these two propositions. That is the sole reason why we yielded.

Mr. BARKLEY. Mr. President, having been one of the Senate conferees, I wish to make a very brief statement regarding my own personal attitude toward this proposed legislation. I am sure the Senate will recall that when the original measure was before this body I voted against the substitution of the George amendment which had been offered to the Murray-Kilgore bill, which

in substance was the original George bill as reported by the Committee on Finance. When the bill was under consideration in the Finance Committee, I stated then that, in my judgment, the proposed legislation was not satisfactory and not adequate. I have not yet been able to reconcile myself to the selection of Government employees in civil employment under the Government for unemployment compensation, while leaving out the vast number of civilian employees who have been working in war plants, which activity has been, of course, as everyone knows, as essential as any other on the part of our people. We all hope there will be no great unemployment after the war ends. I believe that if business, agriculture, labor, the Government, and all other elements of our people work together and in cooperation in the reconversion and post-war period there need not be any great unemployment. It is my belief that while we may not be able to maintain our national income at its present level we can maintain it at a level which will guarantee employment to all those who are willing and able to work, at remunerative wages, under conditions which will be reasonably satisfactory.

Not only is there a great background of need in our own country for articles which we have been doing without for the past 4 or 5 years but, in view of the destruction which has taken place in all the occupied countries of the world, there will no doubt be a great demand upon our inventive genius and our mechanized industries to supply a large portion of the articles which the world will need. I believe that all this will mean a high level of national income, a high level of prosperity, and a high level of wages and employment. It certainly is the duty of all elements of our people to work to that end. Yet there are those who believe that such a view is a little too optimistic. I am one of those who believe that, regardless of the result of such optimism and cooperative effort, we should be as well prepared for peace when it comes as it is possible to be prepared, and better prepared, for it than we have ever been for any war in which our Nation has engaged.

While I hope there will be no need for a great amount of unemployment compensation because of a high level of unemployment, I believe it is our duty to be prepared for it if it should unfortunately come. In preparing for it I cannot visualize any justice in segregating only Government employees and providing for them without at the same time providing for the body of war workers generally, many of whom have been uprooted from their homes. They were not uprooted by any compulsion of the Government, but certainly under its persuasion and under an impulse to do their duty. That was especially true on the part of those unable to serve in our military and naval forces.

In this limited bill, which, as I have indicated, was inadequate, in my judgment, because it did not provide for others beside Government employees, we held out for the Senate provision, namely travel pay, and we finally reduced it to

the irreducible minimum in our suggestions in the conference with respect to unemployment compensation provided for civilian employees of the Government.

The House had not had a record vote on the matter. Under its rules, as we all know, in the Committee of the Whole there is no way to obtain a record vote. The only way for the Members of the House to obtain a record vote is to do so after they come out of a meeting of the Committee of the Whole. Any amendments adopted in the Committee can then receive a record vote if a sufficient number of Representatives demand it, or upon a motion to recommend. Neither of those courses was pursued in the House, so no record vote was taken there upon the subject. The House struck out entirely the provisions to which I have referred, and made no substitution. Yesterday there was a record vote. On that vote it was shown that the sentiment in the House in favor of unemployment compensation for civilian Government employees had increased considerably since the teller vote, or standing vote which had been taken in the Committee of the Whole in the House. So a great deal of progress had been made toward House concurrence in the provisions of the Senate bill. But, be that as it may, the House went on record in opposition, fortifying the adamant position of the House conferees, who had stood out during the 2 weeks of conference against the provision in any form.

As the Senator from Georgia [Mr. GEORGE] and the Senator from Michigan [Mr. VANDENBERG] have said, the Senate conferees all realized that we had either to yield or have no legislation.

It seems to me that we cannot afford to defeat the legislation so far as we have been able to agree. Not only can we deal with other subjects in separate legislation but, in my judgment, we must deal with them. The House takes the position that any amendment to the Social Security Act which involves any additional coverage by taxes, or any change in the tax rate on the subject of social security, must originate in the House. We are not in a position to dispute that constitutional requirement. The bill which we passed in the Senate did not involve any taxation, or additional coverage by taxes, and therefore it did not contravene the constitutional provision.

Yesterday in the House the chairman of the Ways and Means Committee asserted that it was the intention of the committee, I believe immediately after election when all Members shall have returned, to take up the question, hold hearings, and deal with the matter in a broad and comprehensive way. I have no doubt of the good faith of the chairman and other members of the committee in the assertion which the chairman made.

As a Member of the Senate, I wish to say, for whatever it may be worth, that we cannot afford, as a legislative body, to give even the impression that we are contenting ourselves with taking care of the physical reconversion of our country as a result of the war, and abandoning or

showing a lack of interest, or showing even a lukewarm interest, in the human problems which must arise out of the question of reconversion and the question of migration. Congress never enacted a law authorizing or empowering the Government to reach its arms into any community, take men and women out of the community, and transport them elsewhere in order to engage in war work. We have relied on the voluntary method. That method has succeeded. It has succeeded almost beyond what our dreams were when the war began.

While there was no compulsion, there was a patriotic persuasion on the part of the Government and our people, and it was recognized and accepted accordingly. Hundreds of thousands, if not millions, of our people moved their families away from their lifetime homes and went into strange communities. They found living conditions which made them not altogether happy. But they moved into those communities because of a patriotic motive, although there are those who claim that they did it only because they were to receive higher wages than they had been receiving where they were living. There is no doubt that in many instances they did receive higher wages, but I think there was just as much of a patriotic urge upon the part of those men and women to do their duty, even at a sacrifice, as there was on the part of any other group of people during the war. Therefore I felt, and I still feel, that in cases which we undertook to delineate in our suggestion, a reasonable amount of transportation from where those people are now living back to their homes, or to some other place where they may obtain employment, would not be out of place.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. What will happen if the Senate refuses to recede from its position? What will happen if we have no new legislation upon the subject for the next 2 or 3 months?

Mr. BARKLEY. There will be no over-all set-up for physical reconversion of plants, as the bill in titles I and II provides. The consideration of the entire subject will, in all likelihood, have to be postponed until a later date. Personally, I do not believe that even the human element would gain by such a postponement. I believe that when we concentrate our attention upon that phase of the subject it will be entirely possible to do a better job than was done in the proposed legislation.

Mr. AIKEN. Does the Senator believe that we should accept this bill, which we all know is not full and adequate, but which is as far as the House will go, rather than refuse to recede from the position of the Senate?

Mr. BARKLEY. That is my position. We cannot, in my judgment, afford to abandon the legislation, and, therefore, we ought to adopt the conference report, which will get out of the way these two titles which are a part of the legislation, clean them up, and then when we come back, or at the earliest possible date, take up the other phases of the matter in

either House where it can be most appropriately done and legislate upon it as promptly as possible.

Mr. AIKEN. If we cannot get consideration for human beings now but we can get consideration for property reconversion, is there any reason to believe that we will get any greater consideration for the human element 2 or 3 or 4 months from now?

Mr. BARKLEY. I think so, for the reason that the House conferees and the House Ways and Means Committee and the House itself feel that this subject ought to be dealt with in a proper way by an amendment to the Social Security Act itself, by broadening the base, and by increasing the number that will be covered by it; and they have given every assurance that they will take that up and deal with it. There is a constitutional restraint upon our action here, if there is involved any tax feature or taking into the system men and women who are not now in it upon whom there would have to be a tax levied.

Mr. AIKEN. The Senator may be right about that and probably is, but it seems to me when we are talking about preservation of fundamentals that there is nothing more fundamental to the welfare of the country than the welfare of the human beings who make up its population.

Mr. BARKLEY. I agree with that.

Mr. AIKEN. I know I cannot do anything about it.

Mr. BARKLEY. The Senator knows what my view about this legislation has been all along, but we cannot always get at any one time all we want, and so we have to take what we can get, and press with more determination at an appropriate time to get what we want to get by means of legislation.

Mr. AIKEN. It seems rather peculiar that men can work day and night over property and dollars and cents, but cannot give consideration to human beings.

Mr. BARKLEY. That does seem peculiar, but there are many types of peculiar people, and some of them find their way into legislative halls.

Mr. TAFT. Mr. President, as one of the conferees, I wish to say that I also regret that the Senate has had to recede on these two amendments. Of course, we must recognize the fact, however, that they are separate pieces of legislation, and that, under the Constitution, legislation cannot be enacted unless both Houses agree to it.

On the general question, I think we should approve the conference report, because, after all, the question of demobilization of the human element is primarily a question of administration, and we do here set up a proper organization of administration to deal with it and that organization will have 90 percent, perhaps, of the powers it ought to have. We think it ought to have some additional powers, but, nevertheless, after all, in dealing with the human element the chief consideration is to get people jobs and the getting of jobs involves the stimulation of industry to go to work. The question of taking care of people if they do not get jobs is also important, but what the human element wants is jobs, not unem-

ployment compensation when they do not work.

As the Senator says, I think we will have time to deal with the unemployment compensation before we reach the period at which there will be any serious difficulty. Both parties have agreed that unemployment compensation shall be extended to agricultural workers, to employers of one or more instead of eight or more, and to domestic servants as well as those who are already covered. That is an extensive program. I see no reason why the Federal employees cannot be dealt with at the same time.

So far as travel pay is concerned, I believe personally that, if there is any difficulty whatever with employment, we will have that problem put to us very shortly, and that it will have to be met directly. I think it can be met, however, when the emergency arises.

So I believe the Senate should adopt the report, set the machinery in motion, create an organization that can come back to us and tell us what additional powers they think should be added to their powers, in order to deal both with the human element and the business element. I think in that way we will make far more progress than if we delay this whole matter for several months, and then have to do the entire job over again. So, I trust the report will be agreed to.

Mr. WALSH of Massachusetts. Mr. President, my colleagues who represented the Senate on the conference committee on this bill have so fully and so adequately explained my own position that there is no need to amplify what they have already said.

It was with great reluctance and only after long discussion and record vote taken by the House of Representatives that the Senate conferees agreed to the conference report which has now been submitted to the Senate. We did it, as I have said, reluctantly because we were unanimously of the opinion that the situation in this country today and the situation that is likely to develop as the war approaches an end necessitated something being done to pay at least the traveling expenses of war workers who are stranded in different sections of the country, and also to extend unemployment compensation to war workers in the Federal service.

It has been impossible for us to persuade the conferees of the House that this legislation is war legislation and that the situation we were seeking to relieve was the result of the war. It would be unthinkable to pass these two provisions if we were not at war; no one would conceive of it being done; but in the exigencies of the war situation, and in view of the upset that has taken place by reason of employment opportunities being scattered all over the country and workers being sent far away from their homes it seemed to us but fair and just that these two provisions should have been retained in the bill. As indicated, however, in view of the action of the House yesterday in rejecting our provisions, we have now no choice except to ask the Senate to accept the conference report.

I am pleased because it expresses our unanimous judgment, that the chairman has seen fit to have put in the RECORD the joint statement made by the Senate conferees expressing their views with respect to this legislation and respecting their purpose and intent to continue agitation to obtain the relief that has been denied by the elimination of these two provisions.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The question is on agreeing to the conference report.

The report was agreed to.

PROPOSED EQUAL RIGHTS CONSTITUTIONAL AMENDMENT—ARTICLE FROM NEW YORK HERALD TRIBUNE

Mr. BARKLEY. Mr. President, I regret to have to call the attention of the Senate to a very erroneous and I think unfair article in yesterday morning's issue of the New York Herald Tribune, a newspaper with which I frequently disagree but for whose journalistic integrity I have always had the greatest respect. I shall read the article in order that the Senate may know its import. It is an article written by the Washington bureau of the Herald Tribune. The headline reads:

Ferguson says P. A. C. bars vote on equal rights—Asserts Democratic chiefs in Senate bow to flood of C. I. O. pressure mail.

The article proceeds:

WASHINGTON, September 17.—The Democratic leadership of the Senate stood charged today by Republican Members of bowing to the Congress of Industrial Organizations Political Action Committee in sidetracking consideration of the equal rights for women constitutional amendment last week.

Union opposition to the amendment, which had been scheduled for Senate consideration last week, is based on the contention of the Women's Trade Union League that it will end legal restrictions on hours, pay, and other conditions of employment necessary to protect the health and prevent exploitation of women.

Senator GUY M. GILLETTE, Democrat, of Iowa, told the Senate he was postponing consideration of the amendment because many interested Members were away from Washington, and objected to any action until they could be on hand for debate.

Charging flatly that the C. I. O. instead of congressional absenteeism is responsible for the delay, Senator HOMER FERGUSON, Republican, of Michigan, disclosed that pressure mail is being received by Senators taking the union line on the amendment.

Now quoting the junior Senator from Michigan [Mr. FERGUSON]:

"The majority is afraid to bring it up because of the flood of C. I. O. telegrams and letters," Senator FERGUSON declared.

Both the Republican and Democratic platforms contain endorsements of the equal rights for women idea, but Senator FERGUSON continued—

Now quoting him:

"It just shows how they (the Democrats) are going to live up to their party platform. This was a good opportunity for them to show how the whole party could line up behind a good plank, but they've muffed it."

That ends the quotation from the Senator from Michigan. The article continues:

The Democratic leadership, according to one report, sought out Sidney Hillman, P. A.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

AMENDING THE VETERANS REGULATIONS

Mr. LESINSKI. Mr. Speaker, I call up the bill (H. R. 5041) to amend the Veterans Regulations and I ask unanimous consent that the same be considered in the House, as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain what this legislation provides?

Mr. LESINSKI. Mr. Speaker, this bill has the green light from the Veterans' Bureau and the Bureau of the Budget.

The purpose of this bill is to remove an existing inequality between the monthly additional rate of pension paid to a disabled peacetime veteran and that paid to a disabled wartime veteran who as a result of a service-incurred disability has suffered the anatomical loss or the loss of the use of one foot, or one hand, or one eye. Under the present law for the disabilities just named a peacetime veteran receives an additional pension of \$18.75 whereas for similar disabilities a wartime veteran received \$35 per month additional compensation. The peacetime service-connected disability rates are generally 75 percent of the war service-connected disability rates. The exception exists in this class of cases, and this bill proposes to increase the additional pension of \$18.75, which is 75 percent of the \$25 monthly rate which formerly prevailed for veterans of wartime service. The increase for peacetime veterans under this bill would be from \$18.75 per month to \$26.25 per month.

COST OF THE LEGISLATION

The Veterans' Administration has informed the committee that it is estimated that the bill would affect approximately 1,700 veterans of the Regular Establishment at an additional annual cost of \$152,600 for the first year.

ADMINISTRATIVE APPROVAL

This bill, H. R. 5041, has the so-called green light as it has the approval of the Veterans' Administration and the Bureau of the Budget because the legislation is based upon the principle of an agreed ratio of benefits between peacetime and wartime service-incurred disabilities.

Mr. MCGREGOR. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. MCGREGOR. I may say to the gentleman from Massachusetts we have carefully gone over this bill. It is simply clarifying an inequality that has existed between peacetime and service-connected veterans.

Mr. MARTIN of Massachusetts. And it is approved by the Veterans' Bureau?

Mr. MCGREGOR. Yes.

Mr. RANKIN. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RANKIN. This applies only to peacetime veterans?

Mr. LESINSKI. This applies only to peacetime veterans.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That effective on the first day of the month following the month in which this act is enacted, subparagraph (k) of paragraph II, of part II of Veterans Regulation No. 1 (a), as amended, is amended to read as follows:

"II. * * *
 "(k) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or the loss of the use of only one foot, or one hand, or one eye, the rate of pension provided in part II, paragraph II, (a) to (j), shall be increased by \$26.25 per month."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST GUARD AUXILIARY AND RESERVE ACT OF 1941

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5255) to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. BLAND. Mr. Speaker, the purpose of this bill is to enlarge the Coast Guard Auxiliary, which has heretofore existed so as to make effective with it not only boats and yachts but also airplanes and amateur radio stations. I am informed and the committee was informed that there are a considerable number of private airplanes and amateur radio stations whose owners could come into the Coast Guard voluntary service just as the auxiliaries at the present time, and render considerable help in the saving of life at sea and the saving of property at sea.

Mr. MARTIN of Massachusetts. Is this approved by the Department and by the gentleman's committee?

Mr. BLAND. Yes; it is approved by the Department and by my committee.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Coast Guard Auxiliary and Reserve Act of 1941, as amended, be, and the same is, hereby further amended as follows:

Section 2 of said act is hereby amended to read as follows:

"SEC. 2. It is hereby declared to be the purpose of the auxiliary to assist the Coast Guard (a) to promote safety and to effect rescues on and over the high seas and on navigable waters; (b) to enforce laws of the United States applicable to motorboats and yachts; (c) to promote efficiency in the operation of motorboats and yachts; (d) to foster a wider knowledge of, and better compliance with, the laws, rules, and regulations governing the operation of motorboats and yachts; and (e) to facilitate other operations of the Coast Guard."

SEC. 2. Section 3 of said act is hereby amended to read as follows:

"SEC. 3. The auxiliary shall be composed of citizens of the United States and of its Territories and possessions, including the Philippine Islands, who are owners (sole or part) of motorboats, yachts, aircraft, or radio stations or who by reason of their special training or experience are deemed by the Commandant to be qualified for duty in the auxiliary, and who may be enrolled therein pursuant to regulations prescribed under the authority of this act."

SEC. 3. Section 6 of said act is hereby amended to read as follows:

"SEC. 6. The Coast Guard is authorized to utilize in the conduct of duties incident to the saving of life and property, including air-sea rescue operations, in the patrol of marine parades and regattas, or for any other purpose incident to the carrying out of the functions and duties of the Coast Guard which may be authorized by the Secretary of the Treasury (or by the Secretary of the Navy when the Coast Guard operates as part of the Navy), any motorboat, yacht, aircraft, or radio station placed at its disposition for any of such purposes by any member of the auxiliary, by any corporation, partnership, or association, or by any State or political subdivision thereof."

SEC. 4. Said act is hereby amended by adding thereto a new section 7A and a new section 7B, to read as follows:

"SEC. 7A. Any aircraft, while assigned to Coast Guard duty as herein authorized, shall be deemed to be a vessel of the United States Coast Guard within the meaning of the act of June 15, 1936, as amended (49 Stat. 1514; U. S. C., title 14, sec. 71), and shall be deemed to be a public aircraft within the meaning of the act of June 23 1933 as amended (52 Stat. 973; U. S. C. title 49, sec. 401 et seq.).

"SEC. 7B. Any radio station, while assigned to Coast Guard duty as herein authorized, shall be deemed to be a radio station of the United States Coast Guard and a Government station within the meaning of the act of June 19, 1934, as amended (48 Stat. 1081; U. S. C., title 47, sec. 151 and the following)."

SEC. 5. Section 8 of said act is hereby amended to read as follows:

"SEC. 8. Appropriations of the Coast Guard shall be available for the payment of actual necessary traveling expenses and subsistence of members of the auxiliary assigned to specific duties as herein authorized and for actual necessary expenses of operation of any motorboat, yacht, aircraft, or radio station when assigned to Coast Guard duty, but shall not be available for the payment of compensation for personal services, incident to such operation, to other than personnel of the Regular Coast Guard or Coast Guard Reserve established by title II of this Act. The term 'actual necessary expenses of operation,' as used herein, shall include payment for fuel, oil, power, water, supplies, provisions, replacement or repair of equipment, repair of any damaged motorboat, yacht, aircraft, or radio station and for the constructive or actual loss of any motorboat, yacht, aircraft, or radio station where it is determined, under applicable regulations, that responsibility for the loss or damage necessitating such re-

placement or repair of equipment, or for the damage or constructive or actual loss of such motorboat, yacht, aircraft, or radio station rests with the Coast Guard."

SEC. 6. Section 9 of said act is hereby amended to read as follows:

"Sec. 9. No member of the auxiliary, solely by reason of such membership, shall be vested with or exercise any right, privilege, power, or duty vested in or imposed upon the personnel of the Coast Guard or the Reserve, except that any such member may, under applicable regulations, be assigned specific duties, which, after appropriate training and examination, he has been found competent to perform, to effectuate the purposes of the auxiliary. No member of the auxiliary shall be placed in charge of a motorboat, yacht, aircraft, or radio station assigned to Coast Guard duty unless he has been specifically designated by authority of the Commandant to perform such duty. Members of the auxiliary, when assigned to specific duties as herein authorized, shall, unless otherwise limited by the Commandant, be vested with the same power and authority, in execution of such duties, as members of the Regular Coast Guard assigned to similar duty. When any member of the auxiliary is assigned to such duty he may, pursuant to applicable regulations, be paid actual necessary traveling expenses, including a per diem allowance of not to exceed \$3 in lieu of subsistence, while traveling and while on duty away from his home: *Provided, however*, That no per diem shall be paid for any period during which quarters and subsistence in kind are furnished by the Government: *Provided further*, That no per diem shall be paid for any period while such member is performing duty on a vessel."

SEC. 7. Said act is hereby further amended by adding thereto a new section 11, to read as follows:

"Sec. 11. When any member of the auxiliary is physically injured or dies as a result of physical injury incurred while performing patrol duty or any other specific duty to which he has been assigned as herein authorized, such member or his beneficiary shall be entitled to the same benefits as are now or as may hereafter be provided for temporary members of the Coast Guard Reserve who suffer physical injury or death resulting from physical injury incurred in line of duty. Members of the auxiliary who contract sickness or disease while performing patrol duty or any other specific duty to which they have been assigned as herein authorized shall be entitled to the same hospital treatment as is afforded members of the Regular Coast Guard."

SEC. 8. Said act is hereby further amended by adding thereto a new section 12, to read as follows:

"Sec. 12. Members of the auxiliary shall be entitled only to such rights, privileges, and benefits as are specifically set forth in this act for them or as may be specifically provided for them in any other law. Any law which grants rights, privileges, or benefits generally to military personnel or, among others, to personnel of the Coast Guard and the Reserve component thereof, without specifically granting such rights, privileges, or benefits to members of the auxiliary shall not be deemed applicable to members of the auxiliary."

SEC. 9. Section 302 of said act is hereby amended to read as follows:

"Sec. 302. The Secretary of the Treasury, when the Coast Guard is operating in the Treasury Department, and the Secretary of the Navy, when the Coast Guard operates as part of the Navy, are hereby authorized to prescribe one or more suitable distinguishing flags, pennants, or other identifying insignia to be displayed by the motorboats, yachts, aircraft, and radio stations owned by members of the auxiliary or the Reserve, one or more suitable insignia which may be worn by

such members, and one or more suitable uniforms which may be worn by members of the auxiliary. Such flags, pennants, uniforms, and insignia shall be furnished by the Coast Guard at actual cost, and the proceeds received therefor shall be credited to current appropriations from which replacements are purchased. Any person who shall without proper authority, fly from any building, aircraft, motorboat, yacht, or other vessel, any flag or pennant or display any identifying insignia or wear any insignia of the auxiliary or Reserve, or wear any uniform of the auxiliary shall, upon conviction thereof, be punished by a fine not exceeding \$500."

With the following committee amendment:

Page 2, line 1, strike out all after the word "waters;" down to and including the letter "(c)" in line 2; and in line 4 strike out "(d)" and insert in lieu thereof "(c)"; and in line 6 strike out "(c)" and insert in lieu thereof "(d)."

The amendment was agreed to.

DEMOBILIZATION AND RECONVERSION— CONFERENCE REPORT

Mr. DOUGHTON filed the following conference report and statement on the bill (H. R. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, for printing under the rule:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

"SECTION 101. (a). There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the 'Director'). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of two years.

"(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion and shall exercise their functions subject to the general supervision of the Director:

"(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

"(2) Surplus War Property Administration, created by Executive Order Numbered 9425 (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Surplus Property Board created by the Surplus Property Act of 1944.

"(3) Retraining and Reemployment Administration, created by Executive Order Numbered 9427 (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Retraining and Reemployment Administration created by title III of this Act.

"Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to the

agencies placed within his office or with respect to other agencies not specifically placed within his office.

"(c) In addition to any powers which the President is authorized to and does delegate to the Director for the purpose of more effectively coordinating the mobilization of the Nation for war, the Director shall, subject to the direction of the President—

"(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace;

"(2) issue such orders and regulations to executive agencies as may be necessary to provide for the exercise of their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the orders and regulations of the Director expeditiously and, to the extent necessary to carry out such orders and regulations, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities to carry out any plans formulated under this section which are not within the scope of the powers possessed by the President or the executive agencies under provisions of law other than this section;

"(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

"(4) promote and assist in the development of demobilization and reconversion plans by executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between executive agencies in the development and administration of such plans;

"(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of executive agencies which exist under Executive order only, and for the relaxation or removal of emergency war controls;

"(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

"(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning the problems arising out of the transition from war to peace; and

"(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this Act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

"(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such Deputy Directors and other officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out his functions. All such officers and employees shall be appointed in accordance with the civil-service laws and

their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other executive agencies; and for that purpose only he is authorized to delegate to the appropriate agencies and provide for the redelegation of the powers and duties vested in him, except the power to issue orders and regulations to other executive agencies. The Director may require such reports and information from executive agencies as he deems necessary to enable him to carry out his functions under this Act, and each executive agency shall furnish any information and reports so required.

"Sec. 102. (a) There is hereby created an advisory board, which shall consist of twelve members who shall be appointed by the President by and with the advice and consent of the Senate. All of the members of the Board shall represent the general public and the public interest, but in order that the Board may have the benefit of experience in the matters with which it will deal under this Act, three members of the Board shall have had experience in business management, three members shall have had experience in matters relating to labor, and three members shall have had experience in agriculture. The President shall designate one of the remaining three members as chairman of the Board.

"(b) It shall be the general function of the Board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary.

"(c) Members of the Board shall receive a per diem allowance of \$25 for each day spent in actual meetings of the Board or at conferences held upon the call of the Director, plus necessary traveling and other expenses incurred while so engaged.

"TITLE II—DEMOBILIZATION AND RECONVERSION POLICIES

"Sec. 201. The War and Navy Departments shall not retain persons in the armed forces for the purpose of preventing unemployment or awaiting opportunities for employment.

"Sec. 202. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the Office of War Mobilization and Reconversion finds that the continuation of some or all of the work in process under any such contract will benefit the Government or is necessary to avoid substantial physical injury to a plant or property.

"Sec. 203. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

"(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

"(b) the executive agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use

whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

"(c) the Director shall—

"(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

"(2) establish policies providing for full and prompt consultation between the executive agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

"Sec. 204. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by any executive agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

"(b) Whenever such executive agency allocates available materials for the production of any item or group of items for nonwar use, it shall make available a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation and shall be fair and equitable.

"(c) In allocating the materials thus set aside among such small plants, such executive agency shall establish criteria, standards, quotas, schedules, or other conditioning factors after consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such executive agency shall allocate such materials directly to such small plants and shall, to the fullest extent practicable, provide for making such allocations through local offices easily accessible to such small plants. For the purposes of this title, a small plant means any small business concern engaged primarily in production or manufacturing either employing two hundred and fifty wage earners or less, or coming within such other categories as may be established by the head of such executive agency in consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such other categories shall be defined by taking into consideration the comparative sizes of establishments in a particular industry as reflected by sales volumes, quantities of materials consumed, capital investments, or by other criteria which are reasonably attributable to small plants rather than medium or large size plants.

"Sec. 205. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within

ninety days after the approval of this Act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

"TITLE III—RETRAINING AND REEMPLOYMENT

"Sec. 301. There is hereby established a Retraining and Reemployment Administration (hereinafter referred to as the 'Administration'), the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, shall be exercised by a Retraining and Reemployment Administrator (hereinafter in this title referred to as the 'Administrator'), to be appointed by the President, by and with the advice and consent of the Senate, and to receive a salary at the rate of \$12,000 per annum. The same person may serve as Administrator and as Administrator of Veterans' Affairs, but in such case he shall receive only the salary provided by this section.

"Sec. 302. It shall be the function of the Administration—

"(a) to have general supervision and direction of the activities of all existing executive agencies (except the Veterans' Administration and the Administrator of Veterans' Affairs) authorized by law relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating such activities and eliminating overlapping functions of such agencies. To the extent necessary to achieve such purposes the Administrator shall have power to issue regulations in connection with the work of such executive agencies, but nothing in this title shall be deemed to confer any power or authority upon any such agency or authorize any activities by any such agency not authorized by provisions of law other than this title, or to extend any existing power beyond the date upon which it would otherwise expire; and

"(b) to confer with existing State and local agencies and officials in charge of existing programs relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating the activities of existing Federal agencies with the activities of such State and local agencies.

"Sec. 303. The Administrator shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Administrators and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Administration. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Assistant Administrators and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Administrator shall perform the duties imposed upon him through the facilities and personnel of other executive agencies.

"TITLE IV—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"Sec. 401. (a) Section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: 'or reposit pursuant to appropriations to the Federal unemployment account.'

"(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words 'a separate book account for each State agency' a comma and the following: 'the Federal unemployment account.'

"(c) Section 904 of the Social Security Act, as amended, is further amended by add-

ing, at the end of the section, the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers from the Federal unemployment account to the account of any State in the Unemployment Trust Fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this Act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of title XII. Any amounts in the Federal unemployment account on October 1, 1947, and any amounts repaid to such account after such date, shall be covered into the general fund of the Treasury. As used in this subsection, the term "unemployment administrative expenditures" means expenditures for grants under title III of this Act, for the administration of that title by the Board, and for the administration of title IX of this Act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this Act, the sum of \$40,561,686.43 which was authorized to be appropriated by the Act of August 24, 1937 (50 Stat. 754).

"Sec. 402. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"Sec. 1201. (a) In the event that the balance in a State's account in the Unemployment Trust Fund on June 30, 1945, or on the last day in any ensuing calendar quarter which ends prior to July 1, 1947, does not exceed a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the Unemployment Trust Fund an amount equal to the amount by which the unemployment compensation paid out by it in the calendar quarter ending on such day exceeded 2.7 per centum of the total remuneration which was paid during such quarter and was subject to the State unemployment compensation law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that

the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment fund of such State and shall be repaid to the Federal unemployment account from the unemployment fund of that State to the extent that the balance in the State's account in the Unemployment Trust Fund, at the end of any calendar quarter, exceeds a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher. The Secretary of the Treasury shall, after the end of each calendar quarter, transfer from the unemployment account of each State in the Unemployment Trust Fund to the Federal unemployment account the amount required to be repaid from the unemployment fund of such State at the end of such quarter under this subsection."

"TITLE V—PUBLIC WORKS

"Sec. 501. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as 'public agencies') to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

"(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 per centum in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 per centum according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 per centum of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by competent State, local, or regional authority.

"(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

"(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

"(e) As used in this section, the term 'State' shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico.

"TITLE VI—MISCELLANEOUS PROVISIONS

"Sec. 601. When used in this Act—

"(a) The term 'executive agency' means any department, independent establishment,

or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

"(b) The term 'contracting agency' means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

"Sec. 602. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this Act.

"Sec. 603. The provisions of this Act shall terminate on June 30, 1947.

"Sec. 604. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

"Sec. 605. (a) When the Director first appointed under section 101 has taken office, the Office of War Mobilization established by Executive Order Numbered 9347, dated May 27, 1943, not including the Surplus War Property Administration or the Retraining and Reemployment Administration, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Office of War Mobilization and Reconversion.

"(b) When a majority of the members of the Surplus Property Board first appointed under the Surplus Property Act of 1944 have taken office, the Surplus War Property Administration created by Executive Order Numbered 9425 shall cease to exist; and such records and office equipment of the Surplus War Property Administration, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Surplus Property Board.

"(c) When the Retraining and Reemployment Administrator first appointed under section 301 has taken office, the Retraining and Reemployment Administration created by Executive Order Numbered 9427, shall cease to exist; and such records and property of the Administration created by such Executive order, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Retraining and Reemployment Administration established by this Act.

"Sec. 606. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by operation of law.

"Sec. 607. This Act may be cited as the 'War Mobilization and Reconversion Act of 1944'."

And the House agree to the same.

R. L. DOUGHTON,
JERE COOPER,
WESLEY E. DISNEY,
JOHN D. DINGELL,
HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,

Managers on the part of the House.

WALTER F. GEORGE,
DAVID I. WALSH,
ALBEN W. BARKLEY,
A. H. VANDENBERG,
ROBERT A. TAFT,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

When the House passed this bill, it struck out all after the enacting clause of the Senate bill and inserted, in lieu thereof, an amendment in the nature of a substitute. This statement indicates the respects in which there were substantial differences between the Senate bill and the House amendment and the action recommended by the conferees with respect thereto.

TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

Section 101 of the Senate bill contained a declaration of the objectives of the act. The House amendment contained no comparable provision. The conference agreement follows the House amendment in this respect.

Section 102 of the Senate bill contained the provisions establishing the Office of War Mobilization and Reconversion and prescribing the powers and duties of that Office. The comparable provisions in the House amendment were in section 101. While most of the provisions in these sections were identical in the Senate bill and the House amendment, there were some substantial differences.

The House amendment contained a provision, which was not in the Senate bill, providing that the agencies which were placed within the Office of War Mobilization and Reconversion should exercise their functions subject to the general supervision of the Director of that Office. The conference agreement retains this provision. The Senate bill included the Retraining and Reemployment Administration among the agencies placed within the Office of War Mobilization and Reconversion. The House amendment omitted this provision, as the House amendment terminated the existence of that Administration. The conference agreement restores this provision with technical changes.

The House amendment omitted from this section the provisions of the Senate bill which specifically authorized the Director to issue directives to the executive agencies and required such agencies to comply with such directives. The conference agreement authorizes the Director to issue regulations and orders, rather than directives, to the executive agencies and requires such agencies to comply with such regulations and orders. The conference agreement also makes clarifying changes in the language of this section for the purpose of indicating that the agencies within the Office of War Mobilization and Reconversion, as well as the agencies outside of that Office, are to be subject to the authority vested in the Director by subsection (c) of this section.

The House amendment made a clarifying change in the provision of subsection (d) of this section, relating to the employment of personnel and the making of expenditures, for the purpose of indicating that the Director of War Mobilization and Reconversion is to employ only such personnel and to make only such expenditures as may be necessary for carrying out the functions vested in him and is not to employ the personnel and make the expenditures necessary for carrying out the functions of the other agencies placed within his office. The conference agreement follows the House amendment in this respect. The House amendment omitted a provision of the Senate bill which would authorize the Director to employ ex-

pert administrative, technical, and professional personnel without regard to the civil-service laws. The conference agreement restores this provision. The House amendment contained a provision, which was not in the Senate bill, providing for the delegation of the powers and duties vested in the Director. The conference agreement retains this provision, but provides that the power to issue regulations and orders to executive agencies may not be so delegated.

Section 103 of the Senate bill and section 102 of the House amendment, respectively, created an advisory board to advise with the Director with respect to war mobilization and reconversion. The principal difference between the Senate and the House provisions was that the membership of the board, under the Senate provision, was to include representatives of different economic groups, while, under the House provision, all of the members of the board were to represent the general public and the public interest, but its membership was to include persons with experience in different economic fields. This section in the conference agreement follows the provisions of the House amendment.

Section 104 of the Senate bill established a Joint Congressional Committee on Post-war Adjustment. The House amendment contained no such provision. The conference agreement follows the House amendment in this respect.

TITLE II—DEMobilIZATION AND RECONVERSION POLICIES

Section 201 in the Senate bill and in the House amendment provided that the contracting agencies should terminate prime contracts for war production whenever in the opinion of such agencies performance under such contracts will not be needed for the prosecution of the war. The section also provided that performance under such terminated contracts should not be continued merely for the purpose of providing business and employment or for any other purposes other than the prosecution of the war; except that in the Senate bill the section contained a provision which was not in the House amendment and which would permit the continuation of some or all of the work under any such contract if it would benefit the Government or if it should be necessary to avoid substantial injury to a plant or property. The conference agreement retains this provision of the Senate bill in a modified form which provides that performance shall not be continued under such contracts for any purpose other than the prosecution of the war, unless the Office of War Mobilization and Reconversion finds that the continuation of some or all of the work in process under any such contract will benefit the Government or is necessary to avoid substantial physical injury to a plant or property.

Section 203 (b) of the Senate bill created a board of appeals to hear and act upon the complaints of persons aggrieved by the action of Government agencies in allocating scarce materials for production for nonwar use. The House amendment contained no such provision, but it did contain (sec. 203 (b) and (c)) provisions requiring that whenever materials are allocated for production for nonwar use, a percentage of such materials should be made available for exclusive use by small plants. The percentage to be set aside among small plants and the manner of allocating materials among such small plants, was to be determined after consultation with the chairman of the board of directors of the Smaller War Plants Corporation. The conference agreement follows the House amendment in this respect.

TITLE III—RETRAINING AND REEMPLOYMENT

The House amendment omitted all of the provisions of title III of the Senate bill. The nature of these provisions and the conference action with respect to them is as follows:

Section 301 of the Senate bill established a Retraining and Reemployment Administration, the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, were to be exercised by an Administrator, to be appointed by the Director of War Mobilization and Reconversion, and to receive a salary of \$12,000 a year. The conference agreement retains this section, but provides that the Administrator shall be appointed by the President, by and with the advice and consent of the Senate, rather than by the Director of War Mobilization and Reconversion. The conference agreement also provides that the same person may serve as the Retraining and Reemployment Administrator and as Administrator of Veterans' Affairs.

Section 302 of the Senate bill provided that it should be the function of the Retraining and Reemployment Administration, with the assistance of a board composed of representatives of various executive agencies, to have general supervision and direction of the activities of all Government agencies relating to the retraining and reemployment of persons released from war work, and to develop plans and programs relating to such retraining and reemployment. Section 302 of the conference agreement contains the provisions prescribing the functions of this Administration. The section omits the policy board which would have been established under the Senate bill and provides that it shall be the function of the Administration to have general supervision and direction of the activities which existing executive agencies (except the Veterans' Administration and the Administrator of Veterans' Affairs) are authorized by law to carry out with respect to retraining, reemployment, vocational education, and vocational rehabilitation, for the purpose of coordinating such activities and eliminating overlapping functions of such agencies. The purpose of the section is to provide for the coordination of the activities of Government agencies in this field, and the section expressly provides that this title shall not be deemed to authorize any additional activities by the executive agencies whose activities are to be coordinated by the Administrator. The section also makes it the function of the Administration to confer with existing State and local agencies and officials in charge of existing programs relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating the activities of Federal agencies with the activities of such State and local agencies.

Section 303 of the Senate bill provided that the Administrator should have power to provide transportation, at a cost not exceeding \$200 in any one case, for war workers from the place of their employment to the location of their bona fide residence or to the location of new employment arranged by the worker. The conference agreement omits this provision.

Section 304 of the Senate bill provided that the War and Navy Departments should discharge persons from the armed forces as rapidly as it was determined that their services were no longer needed for the prosecution of the war or for the national defense, and should not retain such persons in the armed forces merely for the purpose of preventing unemployment or awaiting opportunities for employment. A modified form of this provision is retained as section 201 of the conference agreement, which provides that the War and Navy Departments shall not retain persons in service in the armed forces for the purpose of preventing unemployment or awaiting opportunities for employment.

Section 305 of the Senate bill provided that the Retraining and Reemployment Administrator should confer with Federal, State, and local agencies and officials in charge of

programs relating to vocational education and rehabilitation, training in industry, and other similar programs, and secure the expansion of such programs when and if necessary. If he found that such expansion could not be secured, or could be secured only by additional Federal legislation or assistance, he was to recommend to Congress such legislation as he considered necessary. These provisions are omitted from the conference agreement; however, as indicated above, section 302 of the conference agreement contains provisions relating to consultation with State and local agencies.

Section 306 of the Senate bill authorized the Administrator to employ personnel and make expenditures for the purpose of carrying out his powers and duties, and provided that, to the fullest extent practicable, he should perform his duties through the facilities and personnel of other executive agencies. The provisions of this section are retained as section 303 of the conference agreement.

TITLE IV—UNEMPLOYMENT COMPENSATION PROVISIONS

Section 401 of the Senate bill amended the Social Security Act to provide for the establishment in the unemployment trust fund of a Federal unemployment account, and authorized the appropriation to such account of sums necessary to carry out the unemployment compensation provisions of this bill. The provisions of section 301 of the House amendment were substantially the same, except that the amendment made by this section in the House amendment contained a provision, similar to one of the provisions of section 404 of the Senate bill, providing that any amounts remaining in the Federal unemployment account upon the termination of the effective period of this act and any amounts thereafter repaid to such account should be covered into the general fund of the Treasury. The conference agreement (sec. 401) follows the House amendment in this respect, except that it provides that these moneys are not to be covered into the general fund of the Treasury until after September 30, 1947.

Section 402 in the Senate bill and section 302 in the House amendment, respectively, amended the Social Security Act to provide for advances to State unemployment funds for the purpose of preventing the exhaustion of such funds in the event of heavy demands upon them by reason of widespread unemployment during the reconversion period. The House amendment made no substantial changes in this section of the Senate bill, however, it did make a number of clarifying and technical changes for the purpose of facilitating its administration. The conference agreement (sec. 402) follows this section of the House amendment with a change which, in conformity with the action fixing June 30, 1947, as the termination date for other provisions of the act, provides that the period for which such advances may be made shall end on June 30, 1947, and with other minor clerical changes.

Section 403 of the Senate bill amended the Social Security Act by adding at the end thereof a new title providing for unemployment compensation for Federal employees. Under the Senate bill such compensation would have been payable for unemployment occurring after September 30, 1944, and prior to the end of the second full calendar year after the termination of hostilities in the present war. The compensation payable to Federal employees would be in the same amounts, on the same terms, and subject to the same conditions as though the State unemployment compensation laws of the States in which their service in the employ of the Federal Government was performed were applicable to such service. The Senate bill provided for making agreements with the States under which the unemployment

compensation payments would be administered by State agencies, but the entire cost of such payments was to be borne by the Federal Government. The House amendment contained no provisions relating to unemployment compensation for Federal employees. The conference agreement follows the House amendment in this respect.

Section 404 of the Senate bill provided that this act and the amendments to the Social Security Act made thereby should cease to be effective at the end of the second full calendar year after the termination of hostilities in the present war, except that the obligation of State unemployment compensation agencies to repay advances made to sustain their State unemployment compensation funds should remain effective until such advances were repaid. This provision, as such, was not in the House amendment and is not contained in the conference agreement. A general termination date for the act is contained in section 603 of the conference agreement. No termination date is provided for the amendments made to the Social Security Act because the period during which advances may be made to the States under such amendments is limited in the amendments themselves. Since no termination date is provided for these amendments, the obligation of the States to repay advances made to them will, of course, be a continuing one. This section of the Senate bill also provided that amounts in the Federal unemployment account upon the expiration of the time when advances might be made to State unemployment funds, and any amounts thereafter repaid to the Federal unemployment account, should be covered into the general fund of the Treasury. A similar provision was contained in the amendments to the Social Security Act made by section 301 of the House amendment and is retained in the conference agreement (section 401).

TITLE V—PUBLIC WORKS

Section 501 of the Senate bill and section 401 of the House amendment, respectively, contained provisions authorizing advances or loans to non-Federal public agencies to encourage advance planning for public works. The principal difference between the Senate and House provisions related to interest on such loans or advances and the time of repayment. Under the Senate bill advances under this section were to be without interest and were to be repaid only if and when construction of the public works which had been planned with the advance was undertaken. Under the House amendment, the loans or advances would bear interest at the rate of 2½ percent a year and were required to be repaid within 5 years or, if construction was undertaken before the end of 5 years, to be repaid when construction was undertaken. The conference agreement follows the Senate bill in this respect.

The House amendment provided that loans or advances under this section should be available to public agencies in Alaska, Hawaii, and Puerto Rico, which were not included in the Senate bill. The conference agreement follows the House amendment in this respect.

Section 502 of the Senate bill provided that the Secretary of Labor should make a study and investigation and a report to Congress with respect to annual wage systems. The House amendment and the conference agreement omit this provision.

TITLE VI—MISCELLANEOUS PROVISIONS

Section 603 of the Senate bill provided that the provisions of the act should be terminated at the end of 24 months after the termination of hostilities. Section 503 of the House amendment provided that the provisions of the act should terminate at the end of 1 year after the termination of hostilities in the present war, as proclaimed by the President, or at such earlier time as the Senate and the House shall have passed resolutions declaring that no emergency exists

which requires the further continuance of the provisions of the act. The conference agreement (sec. 603) provides that the act shall terminate on June 30, 1947. This section, of course, is not applicable to the amendments to the Social Security Act which are made by this act, as those amendments will be provisions of the Social Security Act and contain within themselves provisions limiting their effective period.

Section 605 of the Senate bill provided that the Office of War Mobilization, established by Executive Order No. 9347, should cease to exist when the Director of War Mobilization and Reconversion first appointed under this act had taken office. The comparable provision of the House amendment (sec. 505) also provided that the Surplus War Property Administration and the Retraining and Reemployment Administration, which were created within the Office of War Mobilization by subsequent Executive orders, should cease to exist at the same time. The conference agreement contains separate provisions for terminating the existence of the Office of War Mobilization, the Surplus War Property Administration, and the Retraining and Reemployment Administration, respectively. Section 605 (a) provides that the Office of War Mobilization, not including the two Administrations referred to above, shall cease to exist when the Director of War Mobilization and Reconversion has taken office. Section 605 (b) provides that the Surplus War Property Administration, created by Executive order shall cease to exist when a majority of the members of the Surplus Property Board have taken office pursuant to appointment under the Surplus Property Act of 1944, which is now under consideration by the Congress. Section 605 (c) provides that the Retraining and Reemployment Administration, created by Executive order, shall cease to exist when the Retraining and Reemployment Administrator appointed under this act has taken office. In each case the President is authorized to transfer records and property and unexpended funds from the Executive-order agency to the successor agency created by statute.

Section 607 of the Senate bill provided that no alien should be employed in the administration of this act unless he had served honorably in the armed forces of the United States. The House amendment contained no comparable provision, and this provision is omitted from the conference agreement.

R. L. DOUGHTON,
JERE COOPER,
WESLEY E. DISNEY,
JOHN D. DINGELL,
HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF.

Managers on the part of the House.

TRANSFER OF CERTAIN LAND TO CITY OF DULUTH, MINN.

MR. BLAND. Mr. Speaker, I ask unanimous consent, for the immediate consideration of the bill (S. 1807) authorizing and directing the Secretary of the Interior to convey certain lands to the city of Duluth, Minn.

The Clerk read the title of the bill.

MR. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this simply transfers to the city of Duluth land that is not used by the Government for military purposes?

MR. BLAND. It transfers about 1½ acres of land and is in effect an easement of land so as to straighten the highway.

The bill was introduced by the gentleman from Minnesota [Mr. FITTENER].

The transfer of this land will not in any way interfere with the 6 acres of

WAR MOBILIZATION AND RECONVERSION ACT OF 1944

SEPTEMBER 19, 1944.—Ordered to be printed

Mr. DOUGHTON, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 2051]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

SECTION 101. (a). There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the "Director"). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of two years.

(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion and shall exercise their functions subject to the general supervision of the Director:

(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

(2) Surplus War Property Administration, created by Executive Order Numbered 9425 (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Surplus Property Board created by the Surplus Property Act of 1944.

(3) *Retraining and Reemployment Administration, created by Executive Order Numbered 9427 (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Retraining and Reemployment Administration created by title III of this Act.*

Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to the agencies placed within his office or with respect to other agencies not specifically placed within his office.

(c) In addition to any powers which the President is authorized to and does delegate to the Director for the purpose of more effectively coordinating the mobilization of the Nation for war, the Director shall, subject to the direction of the President—

(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace;

(2) issue such orders and regulations to executive agencies as may be necessary to provide for the exercise of their powers in a manner consistent with the plans formulated under this section or to coordinate the activities of executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the orders and regulations of the Director expeditiously and, to the extent necessary to carry out such orders and regulations, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities to carry out any plans formulated under this section which are not within the scope of the powers possessed by the President or the executive agencies under provisions of law other than this section;

(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

(4) promote and assist in the development of demobilization and reconversion plans by executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between executive agencies in the development and administration of such plans;

(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of executive agencies which exist under Executive order only, and for the relaxation or removal of emergency war controls;

(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning the problems arising out of the transition from war to peace; and

(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this Act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such Deputy Directors and other officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out his functions. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other executive agencies; and for that purpose only he is authorized to delegate to the appropriate agencies and provide for the redelegation of the powers and duties vested in him, except the power to issue orders and regulations to other executive agencies. The Director may require such reports and information from executive agencies as he deems necessary to enable him to carry out his functions under this Act, and each executive agency shall furnish any information and reports so required.

SEC. 102. (a) There is hereby created an advisory board, which shall consist of twelve members who shall be appointed by the President by and with the advice and consent of the Senate. All of the members of the Board shall represent the general public and the public interest, but in order that the Board may have the benefit of experience in the matters with which it will deal under this Act, three members of the Board shall have had experience in business management, three members shall have had experience in matters relating to labor, and three members shall have had experience in agriculture. The President shall designate one of the remaining three members as chairman of the Board.

(b) It shall be the general function of the Board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary.

(c) Members of the Board shall receive a per diem allowance of \$25 for each day spent in actual meetings of the Board or at conferences held upon the call of the Director, plus necessary traveling and other expenses incurred while so engaged.

TITLE II—DEMOBILIZATION AND RECONVERSION POLICIES

SEC. 201. The War and Navy Departments shall not retain persons in the armed forces for the purpose of preventing unemployment or awaiting opportunities for employment.

SEC. 202. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and

shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the Office of War Mobilization and Reconversion finds that the continuation of some or all of the work in process under any such contract will benefit the Government or is necessary to avoid substantial physical injury to a plant or property.

SEC. 203. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

(b) the executive agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

(c) the Director shall—

(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

(2) establish policies providing for full and prompt consultation between the executive agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

SEC. 204. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by any executive agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) Whenever such executive agency allocates available materials for the production of any item or group of items for nonwar use, it shall make available a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the chairman of the board

of directors of the Smaller War Plants Corporation and shall be fair and equitable.

(c) In allocating the materials thus set aside among such small plants, such executive agency shall establish criteria, standards, quotas, schedules, or other conditioning factors after consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such executive agency shall allocate such materials directly to such small plants and shall, to the fullest extent practicable, provide for making such allocations through local offices easily accessible to such small plants. For the purposes of this title, a small plant means any small business concern engaged primarily in production or manufacturing either employing two hundred and fifty wage earners or less, or coming within such other categories as may be established by the head of such executive agency in consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such other categories shall be defined by taking into consideration the comparative sizes of establishments in a particular industry as reflected by sales volumes, quantities of materials consumed, capital investments, or by other criteria which are reasonably attributable to small plants rather than medium or large size plants.

SEC. 205. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within ninety days after the approval of this Act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

TITLE III—RETRAINING AND REEMPLOYMENT

SEC. 301. There is hereby established a Retraining and Reemployment Administration (hereinafter referred to as the "Administration"), the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, shall be exercised by a Retraining and Reemployment Administrator (hereinafter in this title referred to as the "Administrator"), to be appointed by the President, by and with the advice and consent of the Senate, and to receive a salary at the rate of \$12,000 per annum. The same person may serve as Administrator and as Administrator of Veterans' Affairs, but in such case he shall receive only the salary provided by this section.

SEC. 302. It shall be the function of the Administration—

(a) to have general supervision and direction of the activities of all existing executive agencies (except the Veterans' Administration and the Administrator of Veterans' Affairs) authorized by law relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating such activities and eliminating overlapping functions of such agencies. To the extent necessary to achieve such purposes the Administrator shall have power to issue regulations in connection with the work of such executive agencies, but nothing in this title shall be deemed to confer any power or authority upon any such agency or authorize any activities by any such agency not authorized by provisions

of law other than this title, or to extend any existing power beyond the date upon which it would otherwise expire; and

(b) to confer with existing State and local agencies and officials in charge of existing programs relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating the activities of existing Federal agencies with the activities of such State and local agencies.

SEC. 303. The Administrator shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Administrators and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Administration. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Assistant Administrators and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Administrator shall perform the duties imposed upon him through the facilities and personnel of other executive agencies.

TITLE IV—ADVANCES TO STATE UNEMPLOYMENT FUNDS

SEC. 401. (a) Section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: "or deposited pursuant to appropriations to the Federal unemployment account".

(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words "a separate book account for each State agency" a comma and the following: "the Federal unemployment account".

(c) Section 904 of the Social Security Act, as amended, is further amended by adding, at the end of the section, the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers from the Federal unemployment account to the account of any State in the Unemployment Trust Fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this Act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out

the purposes of title XII. Any amounts in the Federal unemployment account on October 1, 1947, and any amounts repaid to such account after such date, shall be covered into the general fund of the Treasury. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this Act, for the administration of that title by the Board, and for the administration of title IX of this Act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this Act, the sum of \$40,561,886.43 which was authorized to be appropriated by the Act of August 24, 1937 (50 Stat. 754)."

SEC. 402. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 1201. (a) In the event that the balance in a State's account in the Unemployment Trust Fund on June 30, 1945, or on the last day in any ensuing calendar quarter which ends prior to July 1, 1947, does not exceed a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the Unemployment Trust Fund an amount equal to the amount by which the unemployment compensation paid out by it in the calendar quarter ending on such day exceeded 2.7 per centum of the total remuneration which was paid during such quarter and was subject to the State unemployment compensation law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met; and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment fund of such State and shall be repaid to the Federal unemployment account from the unemployment fund of that State to the extent that the balance in the State's account in the Unemployment Trust Fund, at the end of any calendar quarter, exceeds a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher. The

Secretary of the Treasury shall, after the end of each calendar quarter, transfer from the unemployment account of each State in the Unemployment Trust Fund to the Federal unemployment account the amount required to be repaid from the unemployment fund of such State at the end of such quarter under this subsection."

TITLE V—PUBLIC WORKS

SEC. 501. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: Provided, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 per centum in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 per centum according to his discretion: Provided, That the allotments to any State shall aggregate not less than one-half of 1 per centum of the total funds available for allotment hereunder: Provided further, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by competent State, local, or regional authority.

(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) As used in this section, the term "State" shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. When used in this Act—

(a) The term "executive agency" means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

(b) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

SEC. 602. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this Act.

SEC. 603. *The provisions of this Act shall terminate on June 30, 1947.*

SEC. 604. *If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.*

SEC. 605. (a) *When the Director first appointed under section 101 has taken office, the Office of War Mobilization established by Executive Order Numbered 9347, dated May 27, 1943, not including the Surplus War Property Administration or the Retraining and Reemployment Administration, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Office of War Mobilization and Reconversion.*

(b) *When a majority of the members of the Surplus Property Board first appointed under the Surplus Property Act of 1944 have taken office, the Surplus War Property Administration created by Executive Order Numbered 9425 shall cease to exist; and such records and office equipment of the Surplus War Property Administration, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Surplus Property Board.*

(c) *When the Retraining and Reemployment Administrator first appointed under section 301 has taken office, the Retraining and Reemployment Administration created by Executive Order Numbered 9427, shall cease to exist; and such records and property of the Administration created by such Executive order, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Retraining and Reemployment Administration established by this Act.*

SEC. 606. *All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by operation of law.*

SEC. 607. *This Act may be cited as the "War Mobilization and Reconversion Act of 1944".*

And the House agree to the same.

R. L. DOUGHTON,
JERE COOPER,
WESLEY E. DISNEY,
JOHN D. DINGELL,
HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,

Managers on the part of the House.

WALTER F. GEORGE,
DAVID I. WALSH,
ALBEN W. BARKLEY,
A. H. VANDENBERG,
ROBERT A. TAFT,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

When the House passed this bill, it struck out all after the enacting clause of the Senate bill and inserted, in lieu thereof, an amendment in the nature of a substitute. This statement indicates the respects in which there were substantial differences between the Senate bill and the House amendment and the action recommended by the conferees with respect thereto.

TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

Section 101 of the Senate bill contained a declaration of the objectives of the act. The House amendment contained no comparable provision. The conference agreement follows the House amendment in this respect.

Section 102 of the Senate bill contained the provisions establishing the Office of War Mobilization and Reconversion and prescribing the powers and duties of that Office. The comparable provisions in the House amendment were in section 101. While most of the provisions in these sections were identical in the Senate bill and the House amendment, there were some substantial differences.

The House amendment contained a provision, which was not in the Senate bill, providing that the agencies which were placed within the Office of War Mobilization and Reconversion should exercise their functions subject to the general supervision of the Director of that Office. The conference agreement retains this provision. The Senate bill included the Retraining and Reemployment Administration among the agencies placed within the Office of War Mobilization and Reconversion. The House amendment omitted this provision, as the House amendment terminated the existence of that Administration. The conference agreement restores this provision with technical changes.

The House amendment omitted from this section the provisions of the Senate bill which specifically authorized the Director to issue directives to the executive agencies and required such agencies to comply with such directives. The conference agreement authorizes the Director to issue regulations and orders, rather than directives, to the executive agencies and requires such agencies to comply with such regulations and orders. The conference agreement also makes clarifying changes in the language of this section for the purpose of indicating that the agencies within the Office of War Mobilization and Reconversion, as well as the agencies outside of that Office, are to be subject to the authority vested in the Director by subsection (c) of this section.

The House amendment made a clarifying change in the provisions of subsection (d) of this section, relating to the employment of personnel and the making of expenditures, for the purpose of indicating that the Director of War Mobilization and Reconversion is to employ only such personnel and to make only such expenditures as may be necessary for carrying out the functions vested in him and is not to employ the personnel and make the expenditures necessary for carrying out the functions of the other agencies placed within his office. The conference agreement follows the House amendment in this respect. The House amendment omitted a provision of the Senate bill which would authorize the Director to employ expert administrative, technical, and professional personnel without regard to the civil-service laws. The conference agreement restores this provision. The House amendment contained a provision, which was not in the Senate bill, providing for the delegation of the powers and duties vested in the Director. The conference agreement retains this provision, but provides that the power to issue regulations and orders to executive agencies may not be so delegated.

Section 103 of the Senate bill and section 102 of the House amendment, respectively, created an advisory board to advise with the Director with respect to war mobilization and reconversion. The principal difference between the Senate and the House provisions was that the membership of the board, under the Senate provision, was to include representatives of different economic groups, while, under the House provision, all of the members of the board were to represent the general public and the public interest, but its membership was to include persons with experience in different economic fields. This section in the conference agreement follows the provisions of the House amendment.

Section 104 of the Senate bill established a Joint Congressional Committee on Post-war Adjustment. The House amendment contained no such provision. The conference agreement follows the House amendment in this respect.

TITLE II—DEMOBILIZATION AND RECONVERSION POLICIES

Section 201 in the Senate bill and in the House amendment provided that the contracting agencies should terminate prime contracts for war production whenever in the opinion of such agencies performance under such contracts will not be needed for the prosecution of the war. The section also provided that performance under such terminated contracts should not be continued merely for the purpose of providing business and employment or for any other purposes other than the prosecution of the war; except that in the Senate bill the section contained a provision which was not in the House amendment and which would permit the continuation of some or all of the work under any such contract if it would benefit the Government or if it should be necessary to avoid substantial injury to a plant or property. The conference agreement retains this provision of the Senate bill in a modified form which provides that performance shall not be continued under such contracts for any purpose other than the prosecution of the war, unless the Office of War Mobilization and Reconversion finds that the continuation of some or all of the work in process under any such contract will benefit the Government or is necessary to avoid substantial physical injury to a plant or property.

Section 203 (b) of the Senate bill created a board of appeals to hear and act upon the complaints of persons aggrieved by the action of Government agencies in allocating scarce materials for production for nonwar use. The House amendment contained no such provision, but it did contain (sec. 203 (b) and (c)) provisions requiring that whenever materials are allocated for production for nonwar use, a percentage of such materials should be made available for exclusive use by small plants. The percentage to be set aside among small plants and the manner of allocating materials among such small plants, was to be determined after consultation with the chairman of the board of directors of the Smaller War Plants Corporation. The conference agreement follows the House amendment in this respect.

TITLE III—RETRAINING AND REEMPLOYMENT

The House amendment omitted all of the provisions of title III of the Senate bill. The nature of these provisions and the conference action with respect to them is as follows:

Section 301 of the Senate bill established a Retraining and Reemployment Administration, the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, were to be exercised by an Administrator, to be appointed by the Director of War Mobilization and Reconversion, and to receive a salary of \$12,000 a year. The conference agreement retains this section, but provides that the Administrator shall be appointed by the President, by and with the advice and consent of the Senate, rather than by the Director of War Mobilization and Reconversion. The conference agreement also provides that the same person may serve as the Retraining and Reemployment Administrator and as Administrator of Veterans' Affairs.

Section 302 of the Senate bill provided that it should be the function of the Retraining and Reemployment Administration, with the assistance of a board composed of representatives of various executive agencies, to have general supervision and direction of the activities of all Government agencies relating to the retraining and reemployment of persons released from war work, and to develop plans and programs relating to such retraining and reemployment. Section 302 of the conference agreement contains the provisions prescribing the functions of this Administration. The section omits the policy board which would have been established under the Senate bill and provides that it shall be the function of the Administration to have general supervision and direction of the activities which existing executive agencies (except the Veterans' Administration and the Administrator of Veterans' Affairs) are authorized by law to carry out with respect to retraining, reemployment, vocational education, and vocational rehabilitation, for the purpose of coordinating such activities and eliminating overlapping functions of such agencies. The purpose of the section is to provide for the coordination of the activities of Government agencies in this field, and the section expressly provides that this title shall not be deemed to authorize any additional activities by the executive agencies whose activities are to be coordinated by the Administrator. The section also makes it the function of the Administration to confer with existing State and local agencies and officials in charge of existing programs relating to retraining, reemployment,

vocational education, and vocational rehabilitation for the purpose of coordinating the activities of Federal agencies with the activities of such State and local agencies.

Section 303 of the Senate bill provided that the Administrator should have power to provide transportation, at a cost not exceeding \$200 in any one case, for war workers from the place of their employment to the location of their bona fide residence or to the location of new employment arranged by the worker. The conference agreement omits this provision.

Section 304 of the Senate bill provided that the War and Navy Departments should discharge persons from the armed forces as rapidly as it was determined that their services were no longer needed for the prosecution of the war or for the national defense, and should not retain such persons in the armed forces merely for the purpose of preventing unemployment or awaiting opportunities for employment. A modified form of this provision is retained as section 201 of the conference agreement, which provides that the War and Navy Departments shall not retain persons in service in the armed forces for the purpose of preventing unemployment or awaiting opportunities for employment.

Section 305 of the Senate bill provided that the Retraining and Reemployment Administrator should confer with Federal, State, and local agencies and officials in charge of programs relating to vocational education and rehabilitation, training in industry, and other similar programs, and secure the expansion of such programs when and if necessary. If he found that such expansion could not be secured, or could be secured only by additional Federal legislation or assistance, he was to recommend to Congress such legislation as he considered necessary. These provisions are omitted from the conference agreement; however, as indicated above, section 302 of the conference agreement contains provisions relating to consultation with State and local agencies.

Section 306 of the Senate bill authorized the Administrator to employ personnel and make expenditures for the purpose of carrying out his powers and duties, and provided that, to the fullest extent practicable, he should perform his duties through the facilities and personnel of other executive agencies. The provisions of this section are retained as section 303 of the conference agreement.

TITLE IV—UNEMPLOYMENT COMPENSATION PROVISIONS

Section 401 of the Senate bill amended the Social Security Act to provide for the establishment in the unemployment trust fund of a Federal unemployment account, and authorized the appropriation to such account of sums necessary to carry out the unemployment compensation provisions of this bill. The provisions of section 301 of the House amendment were substantially the same, except that the amendment made by this section in the House amendment contained a provision, similar to one of the provisions of section 404 of the Senate bill, providing that any amounts remaining in the Federal unemployment account upon the termination of the effective period of this act and any amounts thereafter repaid to such account should be covered into the general fund of the Treasury. The conference agreement (sec. 401) follows the House amendment in this respect,

except that it provides that these moneys are not to be covered into the general fund of the Treasury until after September 30, 1947.

Section 402 in the Senate bill and section 302 in the House amendment, respectively, amended the Social Security Act to provide for advances to State unemployment funds for the purpose of preventing the exhaustion of such funds in the event of heavy demands upon them by reason of widespread unemployment during the reconversion period. The House amendment made no substantial changes in this section of the Senate bill, however, it did make a number of clarifying and technical changes for the purpose of facilitating its administration. The conference agreement (sec. 402) follows this section of the House amendment with a change which, in conformity with the action fixing June 30, 1947 as the termination date for other provisions of the act, provides that the period for which such advances may be made shall end on June 30, 1947, and with other minor clerical changes.

Section 403 of the Senate bill amended the Social Security Act by adding at the end thereof a new title providing for unemployment compensation for Federal employees. Under the Senate bill such compensation would have been payable for unemployment occurring after September 30, 1944, and prior to the end of the second full calendar year after the termination of hostilities in the present war. The compensation payable to Federal employees would be in the same amounts, on the same terms, and subject to the same conditions as though the State unemployment compensation laws of the States in which their service in the employ of the Federal Government was performed were applicable to such service. The Senate bill provided for making agreements with the States under which the unemployment compensation payments would be administered by State agencies, but the entire cost of such payments was to be borne by the Federal Government. The House amendment contained no provisions relating to unemployment compensation for Federal employees. The conference agreement follows the House amendment in this respect.

Section 404 of the Senate bill provided that this act and the amendments to the Social Security Act made thereby should cease to be effective at the end of the second full calendar year after the termination of hostilities in the present war, except that the obligation of State unemployment compensation agencies to repay advances made to sustain their State unemployment compensation funds should remain effective until such advances were repaid. This provision, as such, was not in the House amendment and is not contained in the conference agreement. A general termination date for the act is contained in section 603 of the conference agreement. No termination date is provided for the amendments made to the Social Security Act because the period during which advances may be made to the States under such amendments is limited in the amendments themselves. Since no termination date is provided for these amendments, the obligation of the States to repay advances made to them will, of course, be a continuing one. This section of the Senate bill also provided that amounts in the Federal unemployment account upon the expiration of the time when advances might be made to State unemployment funds, and any amounts thereafter repaid to the Federal unemployment account, should be covered into the general fund of the Treasury. A similar provision was contained in the amendments to the Social Security Act made by section 301 of the House amendment and is retained in the conference agreement (sec. 401).

TITLE V—PUBLIC WORKS

Section 501 of the Senate bill and section 401 of the House amendment, respectively, contained provisions authorizing advances or loans to non-Federal public agencies to encourage advance planning for public works. The principal difference between the Senate and House provisions related to interest on such loans or advances and the time of repayment. Under the Senate bill advances under this section were to be without interest and were to be repaid only if and when construction of the public works which had been planned with the advance was undertaken. Under the House amendment, the loans or advances would bear interest at the rate of 2½ percent a year and were required to be repaid within 5 years or, if construction was undertaken before the end of 5 years, to be repaid when construction was undertaken. The conference agreement follows the Senate bill in this respect.

The House amendment provided that loans or advances under this section should be available to public agencies in Alaska, Hawaii, and Puerto Rico, which were not included in the Senate bill. The conference agreement follows the House amendment in this respect.

Section 502 of the Senate bill provided that the Secretary of Labor should make a study and investigation and a report to Congress with respect to annual wage systems. The House amendment and the conference agreement omit this provision.

TITLE VI—MISCELLANEOUS PROVISIONS

Section 603 of the Senate bill provided that the provisions of the act should be terminated at the end of 24 months after the termination of hostilities. Section 503 of the House amendment provided that the provisions of the act should terminate at the end of 1 year after the termination of hostilities in the present war, as proclaimed by the President, or at such earlier time as the Senate and the House shall have passed resolutions declaring that no emergency exists which requires the further continuance of the provisions of the act. The conference agreement (sec. 603) provides that the act shall terminate on June 30, 1947. This section, of course, is not applicable to the amendments to the Social Security Act which are made by this act, as those amendments will be provisions of the Social Security Act and contain within themselves provisions limiting their effective period.

Section 605 of the Senate bill provided that the Office of War Mobilization, established by Executive Order No. 9347, should cease to exist when the Director of War Mobilization and Reconversion first appointed under this act had taken office. The comparable provision of the House amendment (sec. 505) also provided that the Surplus War Property Administration and the Retraining and Reemployment Administration, which were created within the Office of War Mobilization by subsequent Executive orders, should cease to exist at the same time. The conference agreement contains separate provisions for terminating the existence of the Office of War Mobilization, the Surplus War Property Administration, and the Retraining and Reemployment Administration, respectively. Section 605 (a) provides that the Office of War Mobilization, not including the two Administrations referred to above, shall cease to exist when the

Director of War Mobilization and Reconversion has taken office. Section 605 (b) provides that the Surplus War Property Administration, created by Executive order, shall cease to exist when a majority of the members of the Surplus Property Board have taken office pursuant to appointment under the Surplus Property Act of 1944, which is now under consideration by the Congress. Section 605 (c) provides that the Retraining and Reemployment Administration, created by Executive order, shall cease to exist when the Retraining and Reemployment Administrator appointed under this act has taken office. In each case, the President is authorized to transfer records and property and unexpended funds from the Executive-order agency to the successor agency created by statute.

Section 607 of the Senate bill provided that no alien should be employed in the administration of this act unless he had served honorably in the armed forces of the United States. The House amendment contained no comparable provision, and this provision is omitted from the conference agreement.

R. L. DOUGHTON,
JERE COOPER,
WESLEY E. DISNEY,
JOHN D. DINGELL,
HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,

Managers on the part of the House.



DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued Thursday, September 21, 1944, for actions of Wednesday, September 20)

(For staff of the Department only)

CONTENTS

AAA wheat penalties.....18	Labor.....3	Reclamation.....17
Dairy industry.....8,9,15	Latin America.....3	Small business.....21,25
Economy.....23	Legislation, digest of..28	Subsidies.....8,26
Farm programs.....27,29	Lend-lease.....5	Sugar supply.....6
Flood control.....11,20	Personnel.....1,13,24	Tennessee Valley Authority
Foreign relief.....4,5	Post-war planning.....1,21	16
Forestry.....14,19	Price control.....7,8,9,15	Transportation..10,11,12,20
Grade labeling.....7	Property management.....2	Wildlife conservation...22

HOUSE

1. POST-WAR PLANNING. Agreed to the conference report on S. 2051, the demobilization-reconversion bill (pp. 8126-7). (For provisions of bill see Digest 152.) This bill will now be sent to the President.
2. PROPERTY MANAGEMENT. Rep. Whittington, Miss., commended Surplus War Property Administrator Clayton and expressed the hope that he will accept appointment as Chairman of the proposed Surplus Property Board (p. 8128).
3. LATIN AMERICA; LABOR. Rep. Coffee, Wash., discussed Pan-American labor problems, stating, "It is up to labor to make...for cooperative pan-American progress through Roosevelt liberalism" (pp. 8129-33).
4. FOREIGN RELIEF. Rep. Capozzoli, N. Y., urged UNRRA relief for Italy (pp.8133-4).
5. LEND-LEASE. Rep. Bulwinkle, N. C., gave some figures on lend-lease shipments of food (p. 8138).
6. SUGAR SUPPLY. Rep. Michener, Mich., urged reallocation of sugar to the North for use by home canners (p. 8137).
7. PRICE CONTROL; GRADE LABELING. Rep. Taber, N. Y., criticized OPA's letter recommending legislation to provide for establishment of canned fruit and vegetable grades based upon Government rather than commercial standards (pp. 8142-3).
Rep. Monroney, Okla., stated that wage stabilization is necessary to effective price control (pp. 8149-50).
8. MILK SUBSIDIES. Rep. Fish, N. Y., urged supplemental milk subsidies for the drought-stricken dairymen of Delaware County, N. Y. (pp. 8150-1).
9. DAIRY PRICES. Rep. Jennings, Tenn., urged increased price ceilings for dairy products (pp. 8150-1).

SENATE

10. TRANSPORTATION. Received several reports from the Board of Investigation and Research, Transportation. To Interstate Commerce Committee. (p. 8085.)
11. ST. LAWRENCE WATERWAY. Sen. Aiken, Vt., announced that today he will offer the St. Lawrence waterway project as an amendment to H. R. 4485, the Whittington flood-control bill, and spoke in favor of the project (pp. 8113-5).
12. ROADS. The Foreign Relations Committee reported without amendment H. R. 4625, to extend the Alaskan International Highway Commission for an additional 4 years (S. Rept. 1108)(p. 8085).
13. PERSONNEL. The Education and Labor Committee reported without amendment S. 2044 to prohibit discrimination in employment because of race, creed, color, national origin, or ancestry (S. Rept. 1109)(p. 8086). Sen. Chavez, N. Mex., stated that the bill will not come up until after elections (p. 8086).
14. FORESTRY. Sen. Robertson, Wyo., criticized the establishment of the Jackson Hole National Monument (pp. 8093-5).
15. CHEESE PRICES. Sen. Burton, Ohio, inserted a letter from Sen. Shipstead, Minn., to OPA favoring increases in ceiling prices on cheese (pp. 8111-2).
16. TENNESSEE VALLEY AUTHORITY. Sen. Butler, Nebr., inserted editorials commending the work of the late Sen. Norris, mentioning TVA particularly (pp. 8112-3).
17. RECLAMATION. Passed as reported H. R. 3429, to authorize the Interior Department to employ engineers and economists for consultation on reclamation work (p. 8116).

BILLS INTRODUCED

18. AAA WHEAT PENALTIES. By Sen. Butler, Nebr., S. 2162, to provide for refund of all 1941 and 1942 wheat penalties. To Agriculture and Forestry Com. (p.8087.)
19. FORESTRY. By Rep. Chenoweth, Colo., H. R. 5409, for exchange of lands adjacent to the Pike National Forest. To Agriculture Committee. (p. 8151.)
20. MISSOURI RIVER DEVELOPMENT. By Rep. Rankin, Miss., H. R. 5410, to provide for navigation, irrigation, generation and distribution of power, and flood control on the Missouri River basin. To Rivers and Harbors Committee. (p. 8151.)
21. POST-WAR PLANNING; SMALL BUSINESS. By Rep. Buffett, Nebr., to provide for post-war opportunity by expanding small businesses. To Ways and Means Com. (p.8151.
22. WILDLIFE CONSERVATION. By Rep. Fish, N. Y., H. R. 5415, 5416, and 5417, to provide for fish and game conservation in Orange County, N. Y. To Merchant Marine and Fisheries Committee. (p. 8152.) Remarks of author (pp. 8144-5).

ITEMS IN APPENDIX

23. ECONOMY. Extension of remarks of Rep. Dworshak, Idaho, favoring economy in Government expenditures (p. A4486).
24. PERSONNEL. Extension of remarks of Rep. Grant, Ind., in connection with the proposed unemployment compensation for Federal workers, pointing out various benefits which they receive but which private employees do not (pp. A4487-8).

KENTUCKY

Mary Lou Harris, Adolphus.
 Ruth M. McPherson, Beech Creek.
 Romie E. Weisbrodt, Bradford.
 Estill Hurt, Bulan.
 Raymond C. Morgan, Closplint.
 Mollie L. Allphin, Crittenden.
 Hollis M. Smith, Fonthill.
 Lillian N. Coombs, Graham.
 Hattie Koenen, Hanson.
 Alice Scott, Hardy.
 Dorsey C. Rose, Hazel Green.
 Anna O. Stephens, Hi Hat.
 Raymond L. Renfrow, Horse Branch.
 Willie Hall, McDowell.
 Uel S. Morgan, Nebo.
 Gertrude Scott, Pinsonfork.
 Charles E. Branson, Robards.
 Minnie B. Tiller, Rush.
 James P. Hudson, St. Charles.
 Ruth M. Keck, Sandy Hook.
 Roy Dye, Scottsville.
 Mossie L. Winters, Twila.
 Marion H. Brashear, Viper.
 Emma L. Hudson, Wheatcroft.

MICHIGAN

Esther I. Geroux, Bergland.
 George A. Wright, Jr., Big Rapids.

No. 153—6

Bennett Taylor, Dansville.
 Charles N. Stone, Dorr.
 Olaf Albin Olson, Gaastra.
 William Herschel Miller, Hartford.
 Coral Estep, Muir.
 Lorene D. Fosket, Pottersville.
 Anne M. Polich, West Olive.

MISSOURI

John S. Smith, Williamstown.

MONTANA

Lawrence E. Osness, Huntley.
 May M. Beckman, Lame Deer.
 Keith Hane, Power.
 Wilma Grogre, Wisdom.

NEBRASKA

Vera F. Knickerbocker, Verdon.

NEVADA

Edward D. Gladding, Virginia City.

NEW MEXICO

Mack W. Urioste, Raton.
 John F. Lopez, San Juan Pueblo.

OHIO

Inez S. Winget, Edison.

OKLAHOMA

Harvey L. Sanderson, Burbank.
 Frederick M. Shaw, Oklahoma City.

PUERTO RICO

Victor M. Monrouzeau, Arecibo.

RHODE ISLAND

Joseph E. Daneault, Albion.
 Arthur J. Stokes, Forestdale.
 Charlie H. Arnold, Greene.
 Charles H. Williams, Kenyon.
 Ann A. Dillon, La Fayette.

WISCONSIN

Dorothy J. Steckbauer, Aniwa.
 Ethel Y. Hogenson, Chili.
 Arthur Nortwen, Conover.
 Erna M. Dohm, Dane.
 John C. Esse, DeForest.
 Nicholas A. Braun, Eden.
 Werner W. Wolfinger, Eland.
 Emma M. Olson, Mindoro.
 Bertha Peterson, Ogdensburg.
 Ray L. Truskowski, Sobieski.
 Magdalene Grimsrud, Stoddard.
 Leo J. Velten, Tony.
 John R. Lesar, Willard.

House of Representatives

WEDNESDAY, SEPTEMBER 20, 1944

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal and merciful Father, we bow at Thy altar and ask Thee to open our minds and hearts to Thy holy presence. As each day brings its varied experience do Thou help us to subdue pride and passion and turn to Him who made a path through the night for the morning, and whose sacrifice and example live through the ages. He is our hope, higher than the heavens, broader than the earth, and boundless in its scope.

Almighty God, many minds there are contriving untried and unwise highways for peace and good will, omitting the real solution of life and destiny. Let us hear the word of the Lord: "What shall it profit a man if he shall gain the whole world and lose his life?" Though evil is sweeping its pall over this sad earth, yet the good cannot die; the patriarchs, the prophets, the disciples, and the martyrs, these are royally alive today. We pray Thee to companion us with their spirit and courage and to hold fast the imperiled soul of our country. "Blest with victory and peace, may the heaven-rescued land praise the power that hath made and preserved us a nation. Then conquer we must, when our cause it is just, and this be our motto, 'In God is our trust'." Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5125) entitled "An act to provide for the disposal of surplus Government property and plants, and for other purposes."

The message also announced that the Vice President has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of the Interior.
3. Department of the Navy.
4. Department of War.
5. Federal Security Agency.
6. Federal Works Agency.
7. General Accounting Office.
8. Selective Service System.

9. United States District Court for the Eastern District of Wisconsin.

WAR MOBILIZATION AND RECONVERSION ACT OF 1944

Mr. DOUGHTON. Mr. Speaker, I call up the conference report on the bill (S. 2051) to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the full report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

(For conference report and statement, see proceedings of September 19, 1944.)

The SPEAKER. The gentleman from North Carolina [Mr. DOUGHTON] is recognized.

Mr. FISH. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

Mr. DOUGHTON. I yield.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent that today, after the other special orders, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. WOODRUM of Virginia. Will the gentleman yield for a unanimous-consent request?

Mr. DOUGHTON. I yield to the gentleman from Virginia.

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting an address I expect to deliver on September 25.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

The SPEAKER. The gentleman from North Carolina [Mr. DOUGHTON] is recognized.

WAR MOBILIZATION AND RECONVERSION ACT, 1944—CONFERENCE REPORT

Mr. DOUGHTON. Mr. Speaker, the conferees met yesterday to consider the matters in disagreement with the Senate, namely, the matter of transportation for war workers and Federal employees, and unemployment compensation for Federal employees. In view of the ac-

tion taken by the House on last Monday, the Senate conferees receded on these two provisions. The statement, which has just been read, explains the provisions more fully than I could in a short time. Unless some information is desired at this point, I do not see that it is necessary to make any further statement about the matter.

Mr. CARLSON of Kansas. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Kansas.

Mr. CARLSON of Kansas. Mr. Speaker, when the House passed this legislation it contained a provision that the employees, with the exception of assistant administrators, should be selected or secured through the classified civil service. I note in the report that the employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that deputy directors and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. I think someone has stated that an expert is an individual working away from home.

I wonder if the chairman could advise us what this word "expert" means and what group of individuals it will include that will not be under civil service.

Mr. DOUGHTON. We thought there would be a few to be called in from time to time who would not be regular employees. We felt that the Administrator in charge of enforcing the act would have knowledge about whom to call in as experts who could furnish him information that would be helpful. We considered that it would not be necessary to cover that class of people under civil service. But all regular employees, of course, are included under civil service. The Administrator of this act should, of course, have some latitude and discretion in matters of this kind. It cannot be fully outlined and restricted in the legislation.

Mr. CARLSON of Kansas. The same language for selection of employees is also included in title III, retraining and reemployment. I believe the provision for the selection of employees is too wide open and not in accord with what we want to do. Personally I would want to try to restrict this as much as possible to the classified civil service and at least not leave it wide open to what you might call strictly political appointments. Let us not make a political football out of this agency.

Mr. DOUGHTON. I think the gentleman may rest assured that that will not be done.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. REED of New York. That was the intention of the committee, was it not? To restrict it as much as possible. That is the way it should be construed by those administering the act.

Mr. DOUGHTON. That is correct; and I thank the gentleman for his observation.

Mr. JENKINS. Mr. Speaker, will the gentleman yield for one question?

Mr. DOUGHTON. I yield to the gentleman from Ohio.

Mr. JENKINS. I am sorry I was not here when the gentleman started his statement. I should like to ask: Does the gentleman expect to outline all the changes that were made since the House passed on the bill a few days ago?

Mr. DOUGHTON. The statement just read outlined and explained the changes in full. I do not believe it is necessary to repeat that.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. EBERHARTER. In my opinion, as the gentleman knows, this measure does not go nearly far enough. I have very carefully read the conference report. It gives me a great deal of pleasure to say that, in my opinion, the bill as it comes to us now is better than it was when it passed this body a few weeks ago. In its present form I think it will do some good and certainly it can do no harm. I hope the membership will see fit to support it unanimously.

Mr. DOUGHTON. That corroborates the statement I made when the conferees asked for instructions; that the House conferees were always ready, willing, and anxious to agree to any compromise or adjustment they believed was not in conflict with the action of the House.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SABATH. Mr. Speaker, I was pleased to hear the gentleman from Pennsylvania make the statement he did. I am furthermore pleased to be informed that the great chairman of the Committee on Ways and Means has assured some Members who are interested in the workers and in the legislation that has been stricken out in sections 2 and 3, that shortly, as soon as conditions permit, those matters will be given careful consideration by his committee. Do I understand it correctly?

Mr. DOUGHTON. I did state in my remarks on last Monday that in view of the limited time at the disposal of the committee, and in view also of the honest difference of opinion of some Members of the House, that it would be my purpose at the first practical time to call the committee together to consider further these two questions in dispute, one with respect to transportation and travel pay and the other with respect to unemployment compensation for Federal employees.

Mr. SABATH. I was greatly interested in both these matters and I am indeed grateful that the chairman has made this statement, because this bill,

with all due respect to those who sponsored it, appears to take care of property rights and interests and does not provide relief and assistance to the several millions of war workers who have rendered efficient and honorable service to our war effort and made it possible to abundantly supply our armed forces with the necessary war materials in the successful prosecution of the war.

Mr. DOUGHTON. I assure the gentleman the subject is not finally dropped and that it will get further consideration, such consideration as our committee may deem justified.

Mr. SABATH. I realize that you as chairman of the great Committee on Ways and Means have your trials and tribulations and that you cannot control the Republicans who are opposed to such relief.

Mr. DOUGHTON. Or the Democrats either.

Mr. SABATH. Yes; I concede there may be a few Democrats, but I feel that you will succeed in having your committee report this necessary and needed legislation and assure you of my earnest cooperation until such time when it is enacted.

Mr. DWORSHAK. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Idaho.

Mr. DWORSHAK. Executive Order No. 9427 was issued by the President on February 24 of this year, under the provisions of which authority was granted for the retraining of war workers in war industries. Will the gentleman kindly advise the House whether there is any provision in section 101 in reference to the Retraining and Reemployment Administration concerning the retraining of war workers? I understand, of course, that provision is made for the retraining of veterans, but I should like to know if there is anything in this conference report that refers to retraining of war workers?

Mr. DOUGHTON. Nothing new on that. The only provision here is for the purpose of coordination. There is nothing new as far as any retraining is concerned.

Mr. DWORSHAK. What is the status of the authority granted under Executive order of the President No. 9427 when this legislation is enacted? What will be the status of that Executive order?

Mr. DOUGHTON. That is terminated. The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. NEWSOME. Mr. Speaker, I ask unanimous consent that on tomorrow after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 1 hour and 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROMULO. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on tomorrow at the conclusion of any special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the Resident Commissioner from the Philippines?

There was no objection.

FEES AND COSTS IN CIRCUIT COURT OF APPEALS

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1569) to amend the act entitled "An act to amend the act creating the circuit court of appeals in regard to fees and costs, and for other purposes, approved February 19, 1897 (29 Stat. 536; 28 U. S. C. 543)," with Senate amendment and agree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 4, after "appeals" insert "and in the United States Circuit Court of Appeals for the District of Columbia."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain this?

Mr. HOBBS. Mr. Speaker, this is a bill that relates to the costs to be charged and collected in each of the circuit courts of appeals in the United States. Mr. Chief Justice Groner of the District of Columbia Circuit Court of Appeals wished it amended so as to name that court specifically. That amendment was adopted in the Senate. The request now being made is that the bill may be taken from the Speaker's table and that the House concur in that Senate amendment.

Mr. MICHENER. As I understand it, the only thing it does is to make clear that the District of Columbia is treated the same as the other district and circuit courts of appeals?

Mr. HOBBS. That is all, sir.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendment was agreed to. A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on tomorrow after disposition of matters on the Speaker's table and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SURPLUS PROPERTY BOARD

Mr. WHITTINGTON. Mr. Speaker, the conference report providing for the establishment of a Surplus Property Board has been finally approved. The conference agreement provides for a board consisting of a chairman and two members to be appointed by the President. Following a tentative agreement for an administrator and a board of four members, all to be under the supervision of the Director of War Mobilization, wholly unworkable in the view of the House majority conferees, Mr. W. L. Clayton, the very able, capable, and courageous Surplus Property Administrator, advised the conferees that the said tentative, hybrid board-administrator was unworkable and that he would neither be an applicant nor would he accept the position of Administrator if offered to him. Subsequently, upon the proposal of the House majority conferees, the Board, consisting of a chairman and two members, with the qualifications and with the duties and authority of the Administrator in the language of the House bill providing for an administrator, was agreed to by the conference and is embodied in the conference agreement. The Board takes the place of the Administrator in the House bill. The Chairman of the Board would take the place of the Administrator as contemplated by the House bill with the approval of at least one of the two other members. There was universal regret when Mr. Clayton, who has been acting as Administrator with outstanding success, announced he would not continue. I believe I express the unanimous sentiment of the Congress when I say that the provision for a board composed of three members was not intended, nor does it reflect upon the administration of Mr. Clayton or upon him personally. I further believe I express the sentiment of the Congress and of the country when I say I trust that inasmuch as the unworkable hybrid board-administrator monstrosity was eliminated in conference he will reconsider and accept the appointment as Chairman of the Surplus Property Board.

WAR CRIMINALS

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, a few days ago I spoke on the subject of Axis war prisoners and Axis war criminals. I notice from the press, and from numerous articles I have had time to read, that the United Nations War Crimes Commission after 11 months has been able to discover only 350 war criminals, when everybody in civilization knows that Hitler's Gestapo and most of his officers are all war criminals. In the list of 350 discovered by that Commission—constituted how, I do not know—they never sought to name one of the higher-ups in the German armed forces. I think war criminals are criminals, whether they include lieuten-

ant generals, major generals, or buck privates. Murder is murder whether committed by a field marshal or buck private and ought to be dealt with accordingly, and I now call upon the Allied Nations to see to it that the guilty are brought to justice. The cruel and merciless slaughter of defenseless men, women, and children by German militarists has shocked the conscience of all mankind.

RE: THE PUNISHMENT OF NAZI FASCIST WAR CRIMINALS

Every prisoner of war should be examined to ascertain if any of them took part in the atrocities and persecution of minority groups, regardless of their race or religion, whether they be Protestant, Catholic, or Jew.

According to the United Nations War Crimes Commission, after 11 months of activity, the Commission's actual list of war criminals consists today of about 350 names. Among the arch criminals so far totally omitted from the list are Hitler, Himmler, Goering, Goebbels, Robert Ley, Wilhelm Frick, and Fritz Saukel.

Because of legal objections raised particularly by British and Norwegian members, the commission has failed to agree on any punishment for Nazis and other Axis citizens for persecuting or butchering Jews, unless they happen to be of Allied nationality or the crimes were committed on Allied soil. Some semi-official estimates put the number of war criminals to be dealt with at hundreds of thousands. At least one Allied government assessed the total at 6,000,000 including 1,500,000 Gestapo and S. S. men and 4,500,000 S. A. militia. The same government emphasized that, besides their guilt for past misdeeds, it is these same men that provide the greatest potential force and manpower reserve for a Nazi military rebirth.

Even the meager attainments of the commission are made largely meaningless by Russia's absence from membership. While all the British Dominions have fortunately escaped enemy occupation and have representatives on the commission, Russia has no one on this same commission. The Russians have their own ideas and plans. They contemplate the coralling of up to 4,000,000 Germans as forced laborers to repair the destruction inflicted on the Soviet Union. The German groups especially identified with war crimes will perhaps enjoy preference.

Millions of people, especially in the countries that Hitler victimized, would fail to understand why he should be treated in accordance with lofty political decisions, while lesser scoundrels come before criminal courts or other Allied tribunals. Some declaration, unless amended, ties the commission's hands in dealing with Nazi exterminators of the Jews. The legal basis of the commission's work now bars punishment of Nazis for maltreating and slaughtering of the Jews of Germany or of other Axis nationality, stateless persons, or German-Jewish citizens of Polish, Czech, French, or other Allied origin.

The Hague convention defines a war crime as an offense by one belligerent

against the army or citizenry of another belligerent. Herbert Pell, the American delegate to the commission, proposed as a solution that the commission include among war crimes all offenses against the persons because of race, religion, or political beliefs, irrespective of the victim's nationality or the territory on which the crimes were committed. A subcommittee adopted Pell's suggestion, but on the commission itself, the British and Norwegian jurists solemnly announced that governments really ought to be asked to grant the commission greater powers to deal with such questions before anything is done about it.

As affairs now stand, the commission would ignore the instigators or actual murderers of many of the two or three million Jews who met death at Nazi hands. Similarly, the commission would refrain from touching the Germans who jailed, tortured, and killed Gentile anti-Nazis.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter I received from Hon. Jesse Jones, Secretary of Commerce, in regard to the disposition of surplus property and loans less than \$10,000 to small business.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from this morning's Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject entitled "How About Dan Tobin?"

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MAAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio address I delivered last night.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include excerpts from an article by Lou Gardner, of Des Moines, Iowa.

FILE COPY

Please return to
LEGISLATIVE REPORTS AND SERVICE SECTION
Office of Budget and Finance

[PUBLIC LAW 458--78TH CONGRESS]

[CHAPTER 480--2D SESSION]

[S. 2051]

AN ACT

To amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—OFFICE OF WAR MOBILIZATION AND RECONVERSION

SECTION 101. (a) There is hereby established the Office of War Mobilization and Reconversion, which shall be headed by the Director of War Mobilization and Reconversion (hereinafter called the "Director"). The Director shall be appointed by the President, by and with the advice and consent of the Senate, shall receive compensation at the rate of \$15,000 per year, and shall serve for a term of two years.

(b) The following agencies shall be placed within the Office of War Mobilization and Reconversion and shall exercise their functions subject to the general supervision of the Director:

(1) Office of Contract Settlement, created by the Contract Settlement Act of 1944.

(2) Surplus War Property Administration, created by Executive Order Numbered 9425 (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Surplus Property Board created by the Surplus Property Act of 1944.

(3) Retraining and Reemployment Administration, created by Executive Order Numbered 9427 (if such Administration is in existence after the Office of War Mobilization ceases to exist), and the Retraining and Reemployment Administration created by title III of this Act.

Nothing in this subsection shall imply any derogation of the powers of the Director under subsection (c) with respect to the agencies placed within his office or with respect to other agencies not specifically placed within his office.

(c) In addition to any powers which the President is authorized to and does delegate to the Director for the purpose of more effectively coordinating the mobilization of the Nation for war, the Director shall, subject to the direction of the President—

(1) formulate or have formulated such plans as are necessary to meet the problems arising out of the transition from war to peace;

(2) issue such orders and regulations to executive agencies as may be necessary to provide for the exercise of their powers in a manner consistent with the plans formulated under this section

Please return to
LEGISLATIVE REPORTS AND SERVICE SECTION
Office of Budget and Finance

or to coordinate the activities of executive agencies with respect to the problems arising out of the transition from war to peace. Each executive agency shall carry out the orders and regulations of the Director expeditiously and, to the extent necessary to carry out such orders and regulations, shall modify its operations and procedures and issue regulations with respect thereto. Nothing contained in this section shall be construed as authorizing any activities to carry out any plans formulated under this section which are not within the scope of the powers possessed by the President or the executive agencies under provisions of law other than this section;

(3) recommend to the Congress appropriate legislation providing authority to carry out plans developed under this section but not authorized under existing law;

(4) promote and assist in the development of demobilization and reconversion plans by executive agencies; develop procedures whereby each executive agency is kept informed of proposed demobilization and reconversion plans and proposals which relate to its work and which are being developed or carried out by other executive agencies; and settle controversies between executive agencies in the development and administration of such plans;

(5) cause studies and reports to be made for him by the various executive agencies which will enable him to determine the need for the simplification, consolidation, or elimination of such executive agencies as have been established for the purposes of the war emergency, for the termination, or establishment by statute, of executive agencies which exist under Executive order only, and for the relaxation or removal of emergency war controls;

(6) institute a specific study, for submission to the President and the Congress, of the present functions of the various executive agencies in the field of manpower, and develop a program for reorganizing and consolidating such agencies to the fullest extent practicable;

(7) consult and cooperate with State and local governments, industry, labor, agriculture, and other groups, both national and local, concerning the problems arising out of the transition from war to peace; and

(8) submit reports to the President, the Senate, and the House of Representatives on the 1st days of January, April, July, and October, on the activities undertaken or contemplated by him under this Act. Such reports shall summarize and appraise the activities of the various executive agencies in the field of demobilization and post-war adjustment, and may include such legislative proposals as he may deem necessary or desirable.

(d) The Director shall, within the limits of funds which may be made available, employ and fix the compensation of such Deputy Directors and other officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out his functions. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Deputy Directors and expert administrative,

technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Director shall perform the duties imposed upon him through the facilities and personnel of other executive agencies; and for that purpose only he is authorized to delegate to the appropriate agencies and provide for the redelegation of the powers and duties vested in him, except the power to issue orders and regulations to other executive agencies. The Director may require such reports and information from executive agencies as he deems necessary to enable him to carry out his functions under this Act, and each executive agency shall furnish any information and reports so required.

SEC. 102. (a) There is hereby created an advisory board, which shall consist of twelve members who shall be appointed by the President by and with the advice and consent of the Senate. All of the members of the Board shall represent the general public and the public interest, but in order that the Board may have the benefit of experience in the matters with which it will deal under this Act, three members of the Board shall have had experience in business management, three members shall have had experience in matters relating to labor, and three members shall have had experience in agriculture. The President shall designate one of the remaining three members as chairman of the Board.

(b) It shall be the general function of the Board to advise with the Director with respect to war mobilization and reconversion and make to him such recommendations relating to legislation, policies, and procedures as it may deem necessary.

(c) Members of the Board shall receive a per diem allowance of \$25 for each day spent in actual meetings of the Board or at conferences held upon the call of the Director, plus necessary traveling and other expenses incurred while so engaged.

TITLE II—DEMOBILIZATION AND RECONVERSION POLICIES

SEC. 201. The War and Navy Departments shall not retain persons in the armed forces for the purpose of preventing unemployment or awaiting opportunities for employment.

SEC. 202. Any contracting agency shall terminate prime contracts for war production whenever in the opinion of the agency the performance under such contracts will not be needed for the prosecution of the war, and shall not continue performance under such contracts merely for the purpose of providing business and employment, or for any purposes other than the prosecution of the war, unless the Office of War Mobilization and Reconversion finds that the continuation of some or all of the work in process under any such contract will benefit the Government or is necessary to avoid substantial physical injury to a plant or property.

SEC. 203. Curtailments of war production or terminations of war contracts shall be integrated and synchronized with the expansion, resumption, or initiation of production for other war purposes, and, to the greatest extent compatible with the effective prosecution of the war, of production for nonwar use. To effectuate this policy—

(a) the contracting agencies shall continuously survey their product and material requirements and report to the Director, in such form and detail as he may determine, on current and anticipated changes in requirements and on all anticipated curtailments of war production or terminations of war contracts;

(b) the executive agencies exercising control over manpower, production, or materials shall permit the expansion, resumption, or initiation of production for nonwar use whenever such production does not require materials, components, facilities, or labor needed for war purposes, or will not otherwise adversely affect or interfere with the production for war purposes. Such production for nonwar use shall be permitted regardless of whether one or more competitors normally engaged in the same type of production are still engaged in the performance under any contract which is needed for the prosecution of the war, and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time;

(c) the Director shall—

(1) establish policies to be followed by the contracting agencies in selecting individual contracts or classes of contracts for curtailment, nonrenewal, or termination;

(2) establish policies providing for full and prompt consultation between the executive agencies, war contractors, and the representatives of the employees of war contractors with regard to obtaining the most effective use in other war production or in production for nonwar use of facilities and manpower to be released through anticipated curtailments in war production or terminations of war contracts.

SEC. 204. (a) Whenever the expansion, resumption, or initiation of production for nonwar use is authorized, on a restricted basis, by any executive agency having control over manpower, production, or materials, the restrictions imposed shall not be such as to prevent any small plant capable and desirous of participating in such expansion, resumption, or initiation of production for nonwar use from so participating in such production.

(b) Whenever such executive agency allocates available materials for the production of any item or group of items for nonwar use, it shall make available a percentage of such materials for the exclusive use by small plants for the production of such item or group of items. Such percentage shall be determined by the head of such agency after giving full consideration to the claims presented by the chairman of the board of directors of the Smaller War Plants Corporation and shall be fair and equitable.

(c) In allocating the materials thus set aside among such small plants, such executive agency shall establish criteria, standards, quotas, schedules, or other conditioning factors after consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such executive agency shall allocate such materials directly to such small plants and shall, to the fullest extent practicable, provide for making such allocations through local offices easily accessible to such small plants. For the purposes of this title, a small plant means any small business concern engaged primarily in pro-

duction or manufacturing either employing two hundred and fifty wage earners or less, or coming within such other categories as may be established by the head of such executive agency in consultation with the chairman of the board of directors of the Smaller War Plants Corporation. Such other categories shall be defined by taking into consideration the comparative sizes of establishments in a particular industry as reflected by sales volumes, quantities of materials consumed, capital investments, or by other criteria which are reasonably attributable to small plants rather than medium or large size plants.

SEC. 205. The Attorney General is directed to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter. The Attorney General shall submit to the Congress within ninety days after the approval of this Act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including recommendations for such legislation as he may deem necessary or desirable.

TITLE III—RETRAINING AND REEMPLOYMENT

SEC. 301. There is hereby established a Retraining and Reemployment Administration (hereinafter referred to as the "Administration"), the functions of which, subject to the general supervision of the Director of War Mobilization and Reconversion, shall be exercised by a Retraining and Reemployment Administrator (hereinafter in this title referred to as the "Administrator"), to be appointed by the President, by and with the advice and consent of the Senate, and to receive a salary at the rate of \$12,000 per annum. The same person may serve as Administrator and as Administrator of Veterans' Affairs, but in such case he shall receive only the salary provided by this section.

SEC. 302. It shall be the function of the Administration—

(a) to have general supervision and direction of the activities of all existing executive agencies (except the Veterans' Administration and the Administrator of Veterans' Affairs) authorized by law relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating such activities and eliminating overlapping functions of such agencies. To the extent necessary to achieve such purposes the Administrator shall have power to issue regulations in connection with the work of such executive agencies, but nothing in this title shall be deemed to confer any power or authority upon any such agency or authorize any activities by any such agency not authorized by provisions of law other than this title, or to extend any existing power beyond the date upon which it would otherwise expire; and

(b) to confer with existing State and local agencies and officials in charge of existing programs relating to retraining, reemployment, vocational education, and vocational rehabilitation for the purpose of coordinating the activities of existing Federal agencies with the activities of such State and local agencies.

SEC. 303. The Administrator shall, within the limits of funds which may be made available, employ and fix the compensation of such Assistant Administrators and other officers and employees, and may make such expenditures for supplies, facilities, and services as may be necessary to carry out his functions and the functions of the Administration. All such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that Assistant Administrators and expert administrative, technical, and professional personnel may be employed and their compensation fixed without regard to such laws. To the fullest extent practicable, the Administrator shall perform the duties imposed upon him through the facilities and personnel of other executive agencies.

TITLE IV—ADVANCES TO STATE UNEMPLOYMENT FUNDS

SEC. 401. (a) Section 904 (a) of the Social Security Act, as amended, is further amended by inserting, immediately before the period at the end of the second sentence of the subsection, a comma and the following: "or deposited pursuant to appropriations to the Federal unemployment account".

(b) Section 904 (e) of the Social Security Act, as amended, is further amended by inserting, after the words "a separate book account for each State agency" a comma and the following: "the Federal unemployment account,".

(c) Section 904 of the Social Security Act, as amended, is further amended by adding, at the end of the section, the following new subsections:

"(g) The Secretary of the Treasury is authorized and directed, prior to audit or settlement by the General Accounting Office, to make transfers from the Federal unemployment account to the account of any State in the Unemployment Trust Fund in accordance with certification made by the Board pursuant to section 1201, not exceeding the amount on deposit in the Federal unemployment account at the time of such transfer.

"(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to the excess of taxes collected prior to July 1, 1943, under title IX of this Act and under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1943; and there is hereby authorized to be appropriated to such account for the fiscal year 1945 and for each fiscal year thereafter (1) a sum equal to any excess of taxes collected in the preceding fiscal year under the Federal Unemployment Tax Act over the unemployment administrative expenditures made in such year, and (2) such further sums, if any, as may be necessary to carry out the purposes of title XII. Any amounts in the Federal unemployment account on October 1, 1947, and any amounts repaid to such account after such date, shall be covered into the general fund of the Treasury. As used in this subsection, the term 'unemployment administrative expenditures' means expenditures for grants under title III of this

Act, for the administration of that title by the Board, and for the administration of title IX of this Act and of the Federal Unemployment Tax Act by the Department of the Treasury and the Board. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this Act, the sum of \$40,561,886.43 which was authorized to be appropriated by the Act of August 24, 1937 (50 Stat. 754)."

SEC. 402. The Social Security Act, as amended, is further amended by adding at the end thereof the following new title:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 1201. (a) In the event that the balance in a State's account in the Unemployment Trust Fund on June 30, 1945, or on the last day in any ensuing calendar quarter which ends prior to July 1, 1947, does not exceed a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher, the State shall be entitled, subject to the provisions of subsections (b) and (c) hereof, to have transferred from the Federal unemployment account to its account in the Unemployment Trust Fund an amount equal to the amount by which the unemployment compensation paid out by it in the calendar quarter ending on such day exceeded 2.7 per centum of the total remuneration which was paid during such quarter and was subject to the State unemployment compensation law.

"(b) The Social Security Board is authorized and directed, on application of a State unemployment compensation agency, to make findings as to whether the conditions for the transfer of moneys provided for in subsection (a) hereof have been met: and if such conditions exist, the Board is directed to certify, to the Secretary of the Treasury, from time to time, the amounts for transfer in order to carry out the purposes of this title, reduced or increased, as the case may be, by any sum by which the Board finds that the amounts transferred for any prior quarter were greater or less than the amounts to which the State was entitled for such quarter. The application of a State agency shall be made on such forms, and contain such information and data, fiscal and otherwise, concerning the operation and administration of the State law, as the Board deems necessary or relevant to the performance of its duties hereunder.

"(c) Any amount transferred to the account of any State under this section shall be treated as an advance, without interest, to the unemployment fund of such State and shall be repaid to the Federal unemployment account from the unemployment fund of that State to the extent that the balance in the State's account in the Unemployment Trust Fund, at the end of any calendar quarter, exceeds a sum equal to the total contributions deposited in the Unemployment Trust Fund under the unemployment compensation law of the State during that one of the two calendar years next preceding such day in which such deposits were higher. The Secretary of the Treasury shall, after the end of each calendar quarter, transfer from the unemployment account of each State in the Unemployment Trust Fund to the Fed-

eral unemployment account the amount required to be repaid from the unemployment fund of such State at the end of such quarter under this subsection."

TITLE V—PUBLIC WORKS

SEC. 501. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator is hereby authorized to make, from funds appropriated for that purpose, loans or advances to the States and their agencies and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided*, That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any projects so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 per centum in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 per centum according to his discretion: *Provided*, That the allotments to any State shall aggregate not less than one-half of 1 per centum of the total funds available for allotment hereunder: *Provided further*, That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by competent State, local, or regional authority.

(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) As used in this section, the term "State" shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. When used in this Act—

(a) The term "executive agency" means any department, independent establishment, or agency in the executive branch of the Government, including any corporation wholly owned by the United States.

(b) The term "contracting agency" means any Government agency which has been or hereafter may be authorized to make contracts pursuant to section 201 of the First War Powers Act, 1941, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act (47 Stat. 5), as amended, and the Smaller War Plants Corporation.

SEC. 602. There are authorized to be appropriated such sums as may be necessary or appropriate to carry out the purposes and provisions of this Act.

SEC. 603. The provisions of this Act shall terminate on June 30, 1947.

SEC. 604. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances, other than those as to which it is held invalid, shall not be affected thereby.

SEC. 605. (a) When the Director first appointed under section 101 has taken office, the Office of War Mobilization established by Executive Order Numbered 9347, dated May 27, 1943, not including the Surplus War Property Administration or the Retraining and Reemployment Administration, shall cease to exist; and such records and property of the Office of War Mobilization, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Office of War Mobilization and Reconversion.

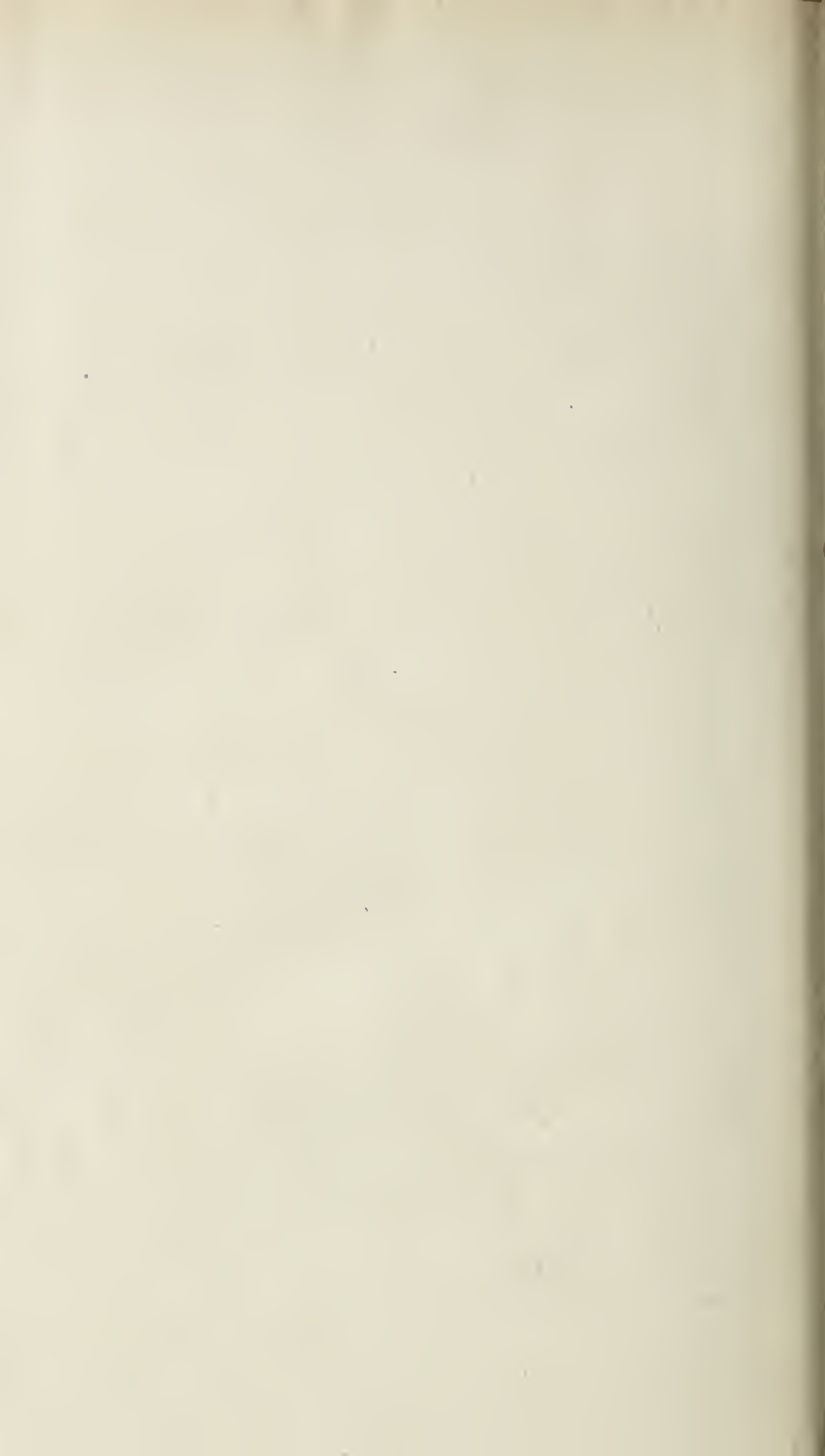
(b) When a majority of the members of the Surplus Property Board first appointed under the Surplus Property Act of 1944 have taken office, the Surplus War Property Administration created by Executive Order Numbered 9425 shall cease to exist; and such records and office equipment of the Surplus War Property Administration, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Surplus Property Board.

(c) When the Retraining and Reemployment Administrator first appointed under section 301 has taken office, the Retraining and Reemployment Administration created by Executive Order Numbered 9427, shall cease to exist; and such records and property of the Administration created by such Executive order, and such unexpended balances of appropriations or other funds available for its use, as the President shall determine, shall be transferred to the Retraining and Reemployment Administration established by this Act.

SEC. 606. All orders, policies, procedures, or directives prescribed by the Director of War Mobilization, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by the Director in accordance with this Act, or by operation of law.

SEC. 607. This Act may be cited as the "War Mobilization and Reconversion Act of 1944".

Approved October 3, 1944.



October 3, 1944

STATEMENT BY THE PRESIDENT

I have signed S. 2051, a bill "to amend the Social Security Act, as amended, to provide a national program for war mobilization and reconversion, and for other purposes."

I have signed the bill because it is important, as this bill provides, that the Office of War Mobilization should be promptly expanded and given clear statutory powers to direct and supervise the tremendous task of reconversion in all of its numerous and related phases.

Last October at my suggestion Justice Pynes set up a unit in the Office of War Mobilization to deal with war and post war adjustment problems. The work of this unit was placed in charge of Mr. Bernard Baruch. In February of this year, Mr. Baruch and his associate Mr. Hancock made a report recommending that the coordinating powers of the Office of War Mobilization be extended to cover activities relating to reconversion and that separate units be established in that Office to deal with the problems of Contract Settlement, War Surplus Property Disposition and Retraining and Reemployment.

Shortly thereafter by Executive Orders, I set up separate units in the Office of War Mobilization to deal with these problems so far as was practicable under existing law until legislation clarifying the powers of these units and defining the basic policies to be pursued by them could be enacted by the Congress.

Last June the Congress passed legislation establishing the Office of Contract Settlement with adequate powers to supervise and expedite the settlement of war contracts.

Just before its recent adjournment the Congress passed H. R. 5125, setting up a Surplus Property Disposal Board and defining its powers, and S. 2051, the bill now before me, which expands the Office of War Mobilization into an Office of War Mobilization and Reconversion and places within it the Office of Contract Settlement, the Surplus War Property Administration, and the Retraining and Reemployment Administration.

So far as the bill goes, it is quite satisfactory. It applies the lessons which we have learned during the war as to the need of continuing coordination of related activities to the problems of reconversion to peace. It does not and cannot, of course, eliminate the problems and difficulties of reconversion, but it goes far to expedite and facilitate their solution.

But I feel it my duty to draw attention to the fact that the bill does not adequately deal with the human side of reconversion. When I signed the G. I. Bill on June 22nd last, I expressed the hope that "the Congress will also take prompt action, when it reconvenes, on necessary legislation which is now pending to facilitate the development of unified programs for the demobilization of civilian war workers, for their reemployment in peacetime pursuits, and for provision, in cooperation with the states, of appropriate unemployment benefits during the transition from war to peace." The bill is not adequate to obtain these ends.

Provisions, which were in the bill as it passed the Senate, to provide transportation for war workers from the place of their employment to their bona fide residence or to the location of new employment arranged by the workers were omitted in conference. So also were the provisions, in the bill as it passed the Senate, ensuring appropriate unemployment compensation to federal workers.

Moreover the bill fails to prescribe minimum standards to govern the amount and duration of unemployment benefits which should be paid by the states to all workers unavoidably out of a job during the period of transition from war to peace.

(OVER)

We have rightly committed ourselves to a fair and generous treatment of our G. I. men and women. We have rightly committed ourselves to a prompt and generous policy of contract settlement to aid industry to return to peacetime work. We have rightly committed ourselves to support farm prices at a fair level during the period of reconversion. We should be no less fair in our treatment of our war workers.

I am glad to know that the Chairman of the House Ways and Means Committee has announced that his Committee will give consideration to further amendments of the Social Security Act after recess and I hope that the deficiencies which I have pointed out in the bill before me will be promptly rectified.

- - - - -

EXECUTIVE ORDER

- - - - -

TRANSFER OF THE RECORDS, PROPERTY, FUNDS AND
PERSONNEL OF THE OFFICE OF WAR MOBILIZATION
AND ITS CONSTITUENT AGENCIES

By virtue of the power and authority vested in me by the Constitution and the laws of the United States, including the War Mobilization and Reconversion Act of 1944, it is hereby ordered as follows:

1. All records and property of the Office of War Mobilization established by Executive Order No. 9347, dated May 27, 1943, and such unexpended balances of appropriations and other funds as are determined by the Director of the Bureau of the Budget to be available for the use of the said Office, and all personnel of the said Office shall be transferred to the Office of War Mobilization and Reconversion established by the War Mobilization and Reconversion Act of 1944.

2. All records and office equipment of the Surplus War Property Administration established by Executive Order No. 9425, dated February 21, 1944, and such unexpended balances of appropriations and other funds as are determined by the Director of the Bureau of the Budget to be available for the use of the said Administration, and all personnel of the said Administration shall be transferred to the Surplus Property Board established by the Surplus Property Act of 1944.

3. All records and property of the Retraining and Reemployment Administration established by Executive Order No. 9427, dated February 24, 1944, and such unexpended balances of appropriations and other funds as are determined by the Director of the Bureau of the Budget to be available for the use of the said Administration, and all personnel of the said Administration shall be transferred to the Retraining and Reemployment Administration established by the War Mobilization and Reconversion Act of 1944.

4. Paragraphs 1, 2, and 3 of this order shall become effective as to each of the agencies heretofore created by Executive order and named in the said paragraphs upon the date when such agency ceases to exist as provided in section 605 of the War Mobilization and Reconversion Act of 1944.

5. When the Director of the Office of War Mobilization and Reconversion, first appointed under section 101 of the War Mobilization and Reconversion Act of 1944, takes office, all functions, powers, and duties heretofore conferred upon the Office of War Mobilization, including all functions, powers, and duties conferred upon the said office by Executive Order No. 9347, shall be transferred to, and thereafter shall be exercised by, the said Director of the Office of War Mobilization and Reconversion.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

October 3, 1944.

- - - - -

